

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, AUGUST 24, 1933



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# The National Underwriter

Thirty-Seventh Year—No. 34

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, AUGUST 24, 1933

\$4.00 Per Year, 20 Cents a Copy

## Several Insurance Codes in Making

Each Division of Business to Submit Separate Agreement, Conference Decides

## AMENDED FILING MADE

Principal Instrument for Insurance Is Proposed by National Board—Other Branches to Vary Provisions

NEW YORK, Aug. 23.—Following the general conference of representatives of the various divisions of underwriting—fire, life, casualty, marine, mutual companies, local agents and brokers—held at the rooms of the National Board here, it was agreed that the latter body file a general code with the administrators of the National Recovery Act, and that each of the several divisions of the business would draft a separate code, embodying in the main the features of the general code, but varying somewhat to meet the particular conditions of their operations.

Under the terms of the act all codes must comply with wage and hour requirements, stipulate for collective bargaining on the part of employes and include the child labor provision. After the initial conference General Manager W. E. Mallalieu of the National Board submitted the code as drawn up to Washington. Exception to it was taken by the federal administrators, who sought more detailed explanation as to what was meant by the terms "outside salaried employes" and those compelled to work during "emergencies" in excess of the stipulated hours of employment for whom exception was desired. A further conference on this subject was held at the National Board office, when an agreement was reached. The code as amended is now being drafted and should be ready for submission to Washington the latter part of this week. It must be in hand before Sept. 1, that being the deadline fixed by the N. R. A. administration within which all codes are to be filed.

### Agents Work on Code

The committee of the National Association of Insurance Agents is hard at work drafting a code for the agents of the country. The organization has already subscribed to the general employment code, in so far as its headquarters staff is concerned, and the same holds with respect to the brokers association of this city. A number of local agents, fire and casualty, have likewise signed the general employment code.

While many of the companies are already well within the minimum wage limit of the general code, a number say they will have to increase the salaries of many young girls and at the same time put on additional help, the aggregate cost of which will mount into sub-

### Agents Ask Restoration of Peoria Diocese Business

#### NORTH AMERICA PETITIONED

Committee Requests Manager Tuttle to Call Off Deal to Cover Properties Under Blanket Policy

The committee of Illinois local agents designated at a meeting in Peoria to take up with the western department of the North America the various issues involved in the plan of that company to issue blanket coverage for properties of the Peoria diocese of the Catholic Church, fulfilled their mission and held a conference with Western Manager C. R. Tuttle. The results of that meeting were not made known. The committee was instructed to ask that the arrangements be canceled and the business be restored to the local agents in the various communities. They were instructed to suggest that the North America respond to this request by Aug. 25.

The North America officials are quoted as stating that this coverage conforms to the rules of the Western Underwriters Association and has received the approval of the Western Actuarial Bureau. Explanation was made that the coverage is issued to the diocese and certificates that are written at board rates are attached, covering each individual property. The Peoria agent of the North America, who handles the business, is required to have the policies countersigned by the local agent where the property is located, paying the regular brokerage.

### Appraisal Is Explained

The properties have been appraised by the North America but with the understanding that the appraisal is merely a guide and is not binding in the event of loss. Under the old plan there were about 14,000 separate policies, while under the blanket arrangement this will be reduced to about 1,000 certificates.

W. A. Wittick, local agent of Peoria, who is a member of the committee who called on Mr. Tuttle, has written to THE NATIONAL UNDERWRITER outlining some of his views on the question. With the development of the insurance business, he states, centralization of values, competition for volume and an intricate rating system, expert service naturally came into being.

With this machinery then the next step is for the agent to offer the assured engineer service in determining values without cost, providing he can cover all of the assured's property wherever located.

### Service for All Agents

In the Peoria situation, Mr. Wittick states that in placing a binder covering all of the property of the Catholic diocese, no resident agent was asked to give his consent to have a Peoria agent insure property in his city. He contends that if these agents should be offered 5 percent of the premiums covering property in their cities, it would not be just. Furthermore, he claims that the company maintains its expert

(CONTINUED ON PAGE 17)

### Claussen Is Made Manager of the London & Lancashire

#### STARTED AS AN OFFICE BOY

Has Wide and Valuable Experience in the Office and Field in Insurance

Gilbert Kingan of Hartford, United States manager of the London & Lancashire, Law Union & Rock and the fire branch of the Standard Marine and president of the Orient and Safeguard, announces this week that Carsten (Carl) Claussen of Chicago has been appointed western manager of these companies to succeed the late Charles E. Dox. Mr. Kingan is the administrative head of the group.

The appointment of Mr. Claussen will meet with favor on the part of agents and all that have any relationship with the office. The London & Lancashire people have been close to their agents in the central west and it is gratifying to know that the department will be continued with the same policy as has been followed for many years.

### Real Name Is Revealed

Mr. Dox was incapacitated for almost two years prior to his death and Mr. Claussen shouldered the responsibilities of the department and carried on the work most satisfactorily. His appointment brings out the fact that his official first name is Carsten. This perhaps will be news to all who have known Carl Claussen personally or by reputation. "Carl" is a nickname that he acquired in school and it has always stuck to him so that all thought that was his real name.

This appointment is interesting in the fact that Mr. Claussen has been connected with no other business enterprise. He entered the western department in Chicago in 1896 as office boy when J. S. Beldon was manager. He therefore has climbed the various rounds of the ladder until he is head of the department. He was given a schooling at various desks and finally became one of the chief examiners. In 1905 he was sent to Kansas City, Mo., to be assistant to State Agent J. W. Hoffman who had jurisdiction over Missouri, Kansas, Oklahoma, Nebraska and South Dakota. He thus got a thorough drill in special agency work. In 1908 he was transferred as assistant to the late John A. Hoover, state agent for Ohio and Indiana.

### Became Indiana State Agent

A year later Mr. Claussen was appointed Indiana state agent, thus divorcing that state from the Ohio field. In 1917, Manager Dox promoted Mr. Claussen to assistant agency superintendent of the western department and he returned to Chicago to take up his residence there again. When John F. Stafford resigned as agency superintendent in 1919 to become western manager of the Sun, Mr. Claussen was again given recognition and made agency superintendent. He has had, therefore, a splendid experience and being the right hand man of Manager Dox for many years he has absorbed the underwriting knowledge and ideas

## Stabilization of Oil Rates Seen

Expect Chief Writing Companies to Agree on New Program

#### COVERS ENORMOUS FIELD

Formerly Profitable Type of Risk—Low Market Price of Oil Substantially Affects Premiums

NEW YORK, Aug. 23.—Reports quietly circulating here are that the chief oil insurance writing organizations of the country will probably agree on a rate stabilization program in the near future, conferences to that end having already been initiated. Should the effort prove successful, it would mean placing the class upon a basis that should yield a modest profit to the companies assuming the risks.

The aggregate value of the oil properties of the west, southwest and on the Pacific Coast, embracing as it does buildings, equipment and tankage, is enormous. Because of excessive oil production, the majority of the wells in Oklahoma City have been shut down, and the outflow from those located elsewhere is controlled by proration, either through the medium of voluntary agreement of the owners or under edict of the various states.

### Premium Income Reduced

Overproduction had the natural effect of greatly reducing the price of the product, which finally reached a figure below the cost of its handling, a condition that led to the adoption of the proration program. The market reduction in the price of oil was naturally reflected in a substantial drop in the premium income of the companies writing the line, and while the organizations specializing in the class held their business fairly well as to volume the income therefrom was far less than in former years.

### Once a Desirable Risk

Previously coverage on oil risks was deemed a desirable risk and yielded a nice profit to the companies writing it. In the scramble for the business that subsequently ensued, rates were constantly whittled, finally reaching a point that the specialty organizations concluded the sensible thing to do was to agree upon a rate schedule and presumably such will be the outcome of conversations now in progress. The Globe & Rutgers, once one of the chief oil writing companies, virtually quit the business several years ago, declaring tariff had gotten down to a point where the class was undesirable.

of one of the most successful insurance men of the west. He is popular personally and has been faithful to every trust imposed in him.

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## Adversity Teaches Valuable Lessons

Southern Manager Hines of Crum & Forster in Tennessee Address

### CONSERVATISM IS VITAL

Inadequate Collection Methods, Playing Fast and Loose with Companies Are Criticized

Some of the uses of adversity so far as the insurance agent is concerned were recited by J. H. Hines, southern manager for the Crum & Forster companies and former president of the Southeastern Underwriters Association, in his address before the Tennessee Association of Insurance Agents in Chattanooga. "The uses of adversity," he said, "have taught each of us that the other's success is his success; that the other's failure is his failure; that we are our brother's keeper."

The depression has reminded agents and companies that conservatism is the one true guide post for insurance, he declared.

Mr. Hines said the agents must modify their old custom of playing one company or one special agent against another. That practice, he declared, will rise up and smite the business if carried beyond moderation. Each agent, he said, must never relax the restraint upon his personal or business expenditures. He warned against the "policy-sniping solicitor" as against the legitimate solicitor.

#### Infirm Collection Policy

Infirm collection policies have caused many agents to pay in sweat and blood during the past few years. Credit losses have mounted as the depression grew more serious. When it is time to issue the mandate "pay or cancel" there must be no procrastination. The collection department should be conducted upon a sound and businesslike basis.

Mr. Hines said there is little room in the rate for moral hazard. The average rate in Tennessee last year was 1.03. For every 100 policies of \$1,000 each, premiums of \$1,030 were collected. If out of this group one loss for moral hazard is sustained, the record is: premiums \$1,030, losses \$1,000, adjustment expense \$30, loss ratio 100 percent. It is small wonder, he declared, that the companies search their business for the breeding ground of moral hazard. They owe this vigilance to the honest assured. Companies and agents are trustees for the honest policyholders.

#### Non-Stock Competition

Mr. Hines gave considerable attention to the question of non-stock competition. Agents, he said, can no longer prevail by fighting on the blanket theory that all stock insurance is good and all non-stock is bad. The honest and intelligent assured is not convinced and those who are expecting a fire are attracted to the stock companies. He advised the agents to familiarize themselves with the structural setup of mutuals and reciprocals. He mentioned the Globe & Rutgers failure and said that if this had been a mutual, the policyholders would be distressed by their liability to assessments over and above their loss. Public spirited assureds, he said, should be impressed with the fact that profitless operation of business is a major cause of the present economic trouble. The lack of business profits is responsible for government deficit. He should be told that non-stock companies

## Made Manager



C. CLAUSSEN

Carl Claussen, agency superintendent London & Lancashire's western department has been appointed manager.

are exempt from practically all of the taxes paid by stock companies. The question of whether the mortgagor is satisfied with non-stock insurance should be investigated.

#### May Make Good Prospects

If a deposit premium is required, Mr. Hines said the interest should be added to the non-stock rate. The new processing tax upon a year's supply of commodities for the average factory will amount to more than the capital stock of the factory, he said. Such establishments may find difficulty in financing themselves and if they have a large deposit premium up, they will be good prospects for stock insurance.

#### Study Power-of-Attorney

In the case of reciprocals, Mr. Hines advised the agents to study carefully the power of attorney.

Probably the most important justification for stock insurance is the service of the local agent, he pointed out. The non-stock companies are endeavoring to

## THE WEEK IN INSURANCE

Agreement is reached at conference of all insurance interests in New York to have each branch of the business submit a separate code to the NRA administration.

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C. Claussen of Chicago is appointed western manager of the London & Lancashire group to succeed the late Charles E. Dox.

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Committee of agents requests North America to call off deal to cover properties of Catholic diocese of Peoria under blanket policy.

**Page 1**

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Annual meeting of the grand nest of the Blue Goose is held in Toronto this week.

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J. H. Hines of the Crum & Forster organization, in address before Tennessee agents, points out some of the lessons the depression has taught insurance-wise.

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\* \* \*

The Ohio Association of Insurance Agents is holding its annual meeting at Marion.

**Page 3**

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Program announced for annual meeting of Minnesota Association of Insurance Agents.

**Page 4**

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I. Jalonick, chairman of the Republic of Dallas, dies at Los Angeles.

**Page 4**

\* \* \*

The fire service extension committee of the National Fire Waste Council has appointed Clarence Goldsmith of the National Board as chairman.

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## Agents' Group Meets with Directors of the Excelsior

### MANY PROBLEMS DISCUSSED

Producers Are Given an Opportunity to Take Up Subjects of Interest to Them

An interesting feature in connection with the quarterly meeting of the board of the Excelsior of Syracuse last week was an agents' forum. About 25 agents attended the meeting and participated with the directors in discussing a number of problems. Miss Helen A. Blair of Blair & Blair, Wellsboro, Pa., was introduced by President Fredrick Bruns as the forum leader. The agents then were given an opportunity to discuss frankly the general problems of insurance and particularly as they affected the Excelsior. Following the meeting the home office was host to the visiting agents at a luncheon. In the afternoon a number of the visitors were the guests of E. L. Torbert, a director of the company, who is general manager of the Onondaga Pottery. They were taken on a tour through this large hotel pottery manufacturing plant. In the evening there was a dinner at the Drum Line Golf Club.

convince the public that the agents do not earn their commission and the agents must summon every resource to meet this issue, he said.

He enumerated some of the factors that increase the prospect of lower commissions for the agency system. They are threats on the part of the agents to penalize the company because of cancellation or because of the company's adherence to sound principles; rewriting an overinsured dwelling for the same amount after a special agent's inspection and cancellation; delinquency in accounts and incompetence in managing an agency.

## Death of James Cook

James A. Cook who was formerly general manager of the Scottish Union & National at the head office died Friday. He retired in 1925 but continued as director. J. G. Nicholl is now manager.

**Excelsior of Syracuse holds an agents' forum in connection with the quarterly meeting of its directors.**

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**NRA code will have considerable effect on contract bond bids.**

**Page 20**

\* \* \*

Superintendent Van Schaick of New York has been ordered by the supreme court to liquidate **Lloyds of America** and the General Indemnity.

**Page 21**

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Casualty companies watch **mercantile burglary risks** for expected signs of skimping on night watchmen under NRA program.

**Page 19**

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Program for annual meeting of **International Claim Association** is announced.

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\* \* \*

Arrest of a bank president and prominent attorney in San Antonio may lead to important revelations in the **theft of Liberty bonds** from New York bank.

**Page 19**

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Program for **casualty conventions** at White Sulphur Springs is announced.

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\* \* \*

National bank deposit **quarantine corporation** to begin operating next week, start coverage Jan. 1.

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Second Vice-President F. A. Bach of the Fidelity & Deposit will devote his entire time to major underwriting problems. Sidney M. Hoyt is elected vice-president and placed in charge of the contract department.

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## Fire Protection Funds Available

Cities Slow to Take Advantage of R. F. C. Loan Provision

### IMPROVE WATER SUPPLY

**Richmond and Houston Take Action—Camden to Install New Fire Alarm System**

NEW YORK, Aug. 23.—Only two cities, Richmond and Houston, thus far have indicated their intention to apply to the Reconstruction Finance Corporation for funds with which to improve their respective water supply systems. Camden, N. J., is credited with planning to seek money with which to install a new fire alarm service and to erect several additional fire stations. Doubtless other communities will make requests of like character from the R. F. C. from time to time, though it is not anticipated much will be done in the north at least during the remainder of the year because cold weather is likely to develop before work could be actually undertaken. When the R. F. C. was authorized to advance funds to municipalities for the promotion of essential public improvements, the American Water Works Association began an active campaign seeking to induce the building of water services in centers where these were non-existent, or for the extension of present services where needed.

#### Seventy Percent Loaned

Under the policy of the R. F. C. 30 percent of the money required for approved municipal projects would be donated by the federal government, and the remaining 70 percent advanced as a loan with a low rate of interest.

That more general advantage has not been taken of the federal offer thus far is attributed to two primary causes: First, the absence of definite plans for construction work and appreciation of the fact that so far as northern and western communities are concerned, the building season is too far advanced to permit undertaking extensive construction this year; second, the unwillingness of local administrative officers to increase the already heavy tax burden of their constituents. In the south and on the west coast, where the weather is milder, it is expected some calls will be made upon the R. F. C. for funds with which to increase water services, though to what extent this will prove to be the case is a question. By and large, the water systems in northern communities are more nearly adequate to the demands on them than is true of centers in the south, where populations have been of slower growth and tax rates materially less.

While the desire of the R. F. C. to supply funds with which to increase municipal and kindred public services has been widely advertised, the understanding is that it will not furnish loans with which to purchase fire apparatus.

### Calls for Delinquent List

Superintendent Van Schaick of New York, acting on the recommendation of the National Convention of Insurance Commissioners, has directed all fire, marine and casualty companies operating in the state to file reports by Nov. 1 on agents and brokers' balances past due more than 90 days as of Oct. 1.

## Blue Goose Feeds on Canada Soil

Grand Nest's Annual Meeting Is  
Held This Week in  
Toronto

### RECODIFY CONSTITUTION

Ontario Pond Celebrates Silver Jubilee  
as Host—Canadians Defeat Visitors  
in Golf Matches

By RALPH E. RICHMAN

TORONTO, Aug. 23.—The grand nest meeting of the Blue Goose is being held this week in Toronto. The Ontario pond is entertaining the 223 visiting ganders and at the same time observing its own jubilee.

Political tranquility marked the lobby sessions Tuesday. Unless there is a complete reversal of present indications, J. Clark Buchanan, Los Angeles, will start up the grand nest roster of officers as grand keeper.

Omaha had the center of the stage Tuesday as a meeting place for 1934. S. L. Gardner, P. K. Walsh and Laurence Bridges, all of Omaha, were on the ground early promoting that city's claims to the convention.

#### Constitution, By-laws Changes

All day Tuesday the executive committee wrestled with recodifying the Blue Goose constitution and by-laws, the draft to be presented to the business sessions Wednesday. No radical changes are being presented by the committee. While the executive committee was working, visiting delegates and visitors were entertained on the golf course during the afternoon and at a reception at night.

Canadian golfers defeated the men from the States in the international contest. The States team members were D. M. Pollard, Texas; B. Mickel, North Carolina; D. Davidson, New York; H. E. Miller, Oregon; P. Enck, Minnesota; C. R. James, Wisconsin; F. E. Brown, Colorado, and C. E. Morrow, Florida. The Canadian winners were W. P. Fess, H. D. K. Martin, C. Wapshott, J. Mein, H. C. Huckvale, H. Webster, all of Ontario; H. B. Leuty, British Columbia, and W. Ward, Quebec.

#### Winners in Golf Tournament

Winners of the low gross scores were H. M. Gibb, J. H. Riddell, H. B. Leuty and H. D. K. Martin. Other prize winners were C. E. Soward, H. C. Huckvale, R. C. Boyd, W. P. Fess, J. C. Townsend, J. W. McDonald and Jack Cameron.

J. Clark Buchanan, expected to be the new grand nest officer, is assistant manager of the Inter-Insurance Exchange of Los Angeles. Mr. Buchanan entered the insurance business as a special agent in 1905 in Nebraska. From there he went to Los Angeles in 1912 where he has been an active Blue Goose member for 15 years. He has served as most loyal gander of the California pond and Toronto is his tenth grand nest meeting.

At the opening business session Wednesday morning Grand Wielder Helliwell read many letters of greeting from ponds not represented by delegates. Most Loyal Grand Gander D. A. McKinley gave a special word of welcome to the past international heads of the order present, W. F. C. Fellers, W. T. Benallack and W. E. Mallalieu.

In an exceedingly able address Most Loyal Grand Gander McKinley recommended a division of executive responsibility among the chief officers of the grand nest, advised that no reduction of

### Chief Gander



D. A. MCKINLEY

**D. A. McKinley of Seattle, most loyal grand gander of the Blue Goose, well known field man in his territory, is presiding at the grand nest meeting in Toronto this week.**

grand nest revenues be considered, urged changes in the constitution and by-laws as prepared by the special committee considering that subject and suggested that the grand nest make plans for a permanent paid wielder in the future.

Mr. McKinley said division of responsibility among grand nest officers would better prepare them for their future duties and relieve the head of the order of an excessive demand upon his time. The grand supervisor, he suggested, might supervise editorial duties and proposed changes in the constitution and by-laws. Organization of new ponds, membership and ritual would under his plan be in control of the grand custodian. Reinstatement, employment and welfare activities would be directed by the grand guardian of the rest.

Membership in the order now totals 6,762, which is almost equal to the total in 1929. Mr. McKinley disclosed that from one-third to 60 percent of the pond dues go back to local ponds in payment for expenses of delegates to the grand guardian of the nest.

L. H. Bridges, grand supervisor, appointed L. T. Hargreaves, W. E. Mallalieu, S. L. Gardner, J. Clark Buchanan and F. C. Newcomer as a committee to consider Mr. McKinley's recommendations.

#### Honor Departed Ganders

After hearing the report of C. P. Hellwell, grand wielder, Mr. Bridges presented the report of the necrology committee and the convention stood in silent tribute to the departed ganders.

At the end of the fiscal year, June 30, the treasury balance was \$3,000, about double that on hand at the same time last year.

The United States employment committee of which C. M. Cartwright, THE NATIONAL UNDERWRITER, is chairman, stated that the employment situation became more acute during the year. More members found themselves out of employment. With the new administration local ponds appointed employment committees to work in connection with regional vice-chairmen. This system has been found successful. Some members secured employment during the year through the good offices of the order.

In connection with the employment committee report, C. W. Bean advocated that employment committees function to find positions outside as well as inside the insurance business.

The committee on recodification of the

### Congressman O'Connor in "Insure in America" Plea

#### SUPPORT HOME COMPANIES

Asks That All Federal Government Departments Place Insurance and Bonds in United States

WASHINGTON, Aug. 23.—Support of the federal government for American insurance was asked last week by Representative O'Connor (Dem.) of New York in a plea submitted to President Roosevelt, Recovery Administrator Johnson, Chairman Jones of the R. F. C., and Secretary of the Interior Ickes, as administrator of the public works program. Representative O'Connor sought to have included in all government contracts with individuals, concerns and corporations and with those who borrow government funds a requirement that they patronize American insurance.

#### Much to London Lloyds

"I am informed that many shipbuilders, contractors and railroads place an enormous amount of insurance each year with Lloyds of London," the congressman explained, "the premium in some instances being as high as \$500,000 a year. I am further informed that upwards of \$100,000,000 of American money is paid annually for premiums to Lloyds and that from 1922 to 1931 American premiums paid to foreign insurance companies amounted to over \$2,000,000,000."

"Not only the National Recovery Administration and the Reconstruction Finance Corporation, but also the Treasury Department and other departments that let out contracts, could and should require that all insurance and bonding be placed with American companies."

#### London Lloyds' Competition

What Mr. O'Connor doubtless had in mind was to prohibit the placing of indemnity with concerns not authorized to transact business in this country, notably London Lloyds, which for years has been a hard competitor with duly licensed institutions, foreign and domestic, for blanket and other bonds carried by home banking institutions.

Individual underwriting concerns of London aggressively have sought business on this side the water for years, their refusal to conform to our laws or to pay state or federal taxes enabling them to take risks at rates less than those of home institutions.

Mr. O'Connor's suggestion is in line with the President's desire to extend employment, and at the same time revenues would be increased here through payment of taxes of one kind or another to our different divisions of government. When Congress convenes a measure aimed at barring London Lloyds and all similar law evading institutions from these shores will probably be offered by Representative O'Connor, who is a brother of Basil O'Connor, prominent attorney of New York City and former law partner of President Roosevelt.

constitution and by-laws recommended some changes largely to clarify certain points. An addition will be a brief history of the organization. Another amendment would waive grand nest dues for a gander unable to pay his local pond dues, thus relieving the pond from paying a member's grand nest dues if his pond dues, by reason of unemployment or inability to pay, are waived.

#### Garlichs Is Weekly Winner

Loren W. Garlichs, local agent of St. Joseph, Mo., was the weekly winner of the book of Century of Progress exposition admission tickets for first registration this week for the Chicago convention of the National Association of Insurance Agents.

## Ohio Agents Hold Forth at Marion

President Rudibaugh Reviews the Legislative Year with Much Satisfaction

#### MEMBERSHIP PROBLEM UP

Secretary Meek Expresses Disapproval of System of "Adoption" Used to Bolster Roster

#### By LEVERING CARTWRIGHT

The legislative year in Ohio was reviewed with satisfaction by C. C. Rudibaugh in his presidential address before the annual meeting of the Ohio Association of Insurance Agents at Marion. This was the second convention over which Mr. Rudibaugh has presided, since, as vice-president, he took the chair at the meeting last year when President Countz was absent.

Mr. Rudibaugh recalled that illness forced W. H. Tomlinson to resign as secretary and general counsel. However, the resignation did not come until the legislative session was well under way. Among the new laws which Mr. Rudibaugh mentioned with satisfaction were the anti-guest statute; one permitting boards of education to carry liability insurance; revising the license requirements of agents of domestic casualty companies which will have the effect of compelling certain organizations to secure agents' licenses through the insurance department, and a law permitting municipalities to carry liability and property damage on publicly owned motor vehicles.

#### Objectionable Bills Killed

Among the objectionable bills, which were killed, he mentioned the one to repeal the anti-discriminatory law, to make insurance rates subject to the approval of the insurance superintendent, to permit municipalities to levy a \$12 tax on automobiles to compensate injured, old age pensions, unemployment insurance, to permit political subdivisions to establish fire replacement funds, compulsory automobile liability insurance, to investigate rates.

Mr. Rudibaugh recommended a reduction in dues of the Ohio association, so as to permit a larger number of agents to join. Because the Ohio association was unable to meet all its assessments to the National association, that organization, he said, was compelled to discontinue sending of the "American Agency Bulletin" to Ohio members in good standing. However, he expressed belief that this situation will be corrected.

#### Report of the Secretary

H. L. Meek of Columbus, acting secretary since the resignation of W. H. Tomlinson in April, said that many expenses have been eliminated or reduced such as office rent, telephone, salaries, etc. At the last meeting it was reported that the Ohio association had a membership of 757. He said that this included 127 so-called "adoptions," meaning that for \$5 furnished by other members in good standing, one new member was added to the membership list. There were in reality only 630 members. Practically none of these "adoptions" came in as members during this year. He said this adoption plan originated with Judge Tomlinson at the close of each fiscal year to bolster the membership numerically, hoping that some of the "adoptions" would become regular members.

(CONTINUED ON PAGE 17)

## I. Jalonick, Fire Insurance Leader in Texas, Is Dead

WAS CHAIRMAN OF REPUBLIC

Death Occurred in Los Angeles—Identified with Insurance in Southwest Forty Years

DALLAS, Aug. 23.—I. Jalonick, prominent fire insurance executive of Dallas and outstanding and successful leader in fire insurance in Texas and the southwest for 40 years, died at Los Angeles late Monday night. During his long career he successively served as local agent, special agent, adjuster and company executive and for over 30 years was active in an official capacity in the affairs of the Republic of Dallas.

At the time of his death he was chairman of the board of the Republic. He was born in Galveston. Surviving are his wife, Mrs. Katherine Leake Jalonick, a brother, George W. Jalonick, a sister, Mrs. E. J. Eastland, and two nephews, Edison C. Jalonick and Hartwell Jalonick, all of Dallas.

## May Recognize the U. S. on Future Soviet Deals

WASHINGTON, Aug. 23.—As a result of a conference held by E. G. Siebel, manager Cotton Fire & Marine Underwriters, with Jesse H. Jones, director Reconstruction Finance Corporation, ocean marine underwriters are hopeful that any future loan agreements made with the Soviet government for the purchase of American goods will include a proviso that such shipments shall be insured with American marine offices. The loss to American companies of the premiums on the \$5,000,000 of American cotton, amounting to over \$25,000, which is said to have gone to London offices, is trivial as compared to the future amount which may be paid American insurance offices on other cotton shipments and heavy purchases of agricultural machinery, automobile trucks, butter and cheese and processed pork totaling over \$20,000,000, reported soon to be contracted for with the aid of the R. F. C.

**Carl O. Derby,** Portland, Mich., has taken over the fire business of the O. S. Rice agency. Mr. Rice will continue to act as district manager for the Wisconsin National Life.

**"IF WE COULD FIRST KNOW WHERE WE ARE, AND WHITHER WE ARE TENDING, WE COULD BETTER JUDGE WHAT TO DO AND HOW TO DO IT."**

—Lincoln.

**GOLDEN**

In these words, taken from one of his famous Douglas debates, this master of simple language inadvertently expressed the principle of insurance. Insurance is founded upon sound previous experience.

**ANNIVERSARY**

In our chosen business, we are fortunate in having well-lighted paths to which we cannot be blind.

**YEAR**

**Security Fire Insurance Company**  
Davenport, Iowa

PROTECTION SINCE 1883

## Program Is Announced for Minnesota Agents' Meeting

CONVENE AT RADISSON INN

Allan I. Wolff to Be Headliner at State Association's Annual Gathering on Sept. 5

MINNEAPOLIS, Aug. 23.—An invitation has been extended to all Minnesota local agents to attend the annual convention of the Minnesota Association of Insurance Agents, to be held Sept. 5 at Radisson Inn on Christmas Lake, about one mile east of Excelsior, Minn., and about 16 miles from Minneapolis.

Speakers will include Governor F. B. Olson, Allan I. Wolff of Chicago, chairman executive committee National Association of Insurance Agents; J. D. Marshall, manager Associated General Contractors of Minnesota, and F. C. Berry, safety engineer Minneapolis Automobile Club.

### Reports at Morning Session

At the morning business session President Frank S. Preston, R. J. Lilly, chairman of the executive committee, and Executive Secretary R. M. Thompson will present their annual reports. C. F. Liscomb of Duluth, national councillor for Minnesota, will report on the year's activities.

From 12 to 1 there will be a sports program in charge of the Blue Goose, with John Jackson, state agent for the Home, as chairman. Mr. Marshall will speak on "Recovery Under the NRA" at the luncheon. J. P. Wolfe, local agent at Moorhead, Minn., and one of the NRA administrators for Minnesota, has also been asked to talk and there will be a general discussion of the NRA program.

Mr. Berry will address the afternoon session on the financial responsibility act and accident prevention. Round table discussions will be held on the automatic cancellation clause in fire policies, the various forms of coverage of inland marine insurance, and on compensation rates. Local agents will be encouraged to take the floor and ask questions or express opinions. The resolutions and nominations committees will report at this session.

### Olson, Wolff Banquet Speakers

Governor Olson and Mr. Wolff will be the speakers at the banquet, which is to be at 7:30, following a program of sports from 5 to 7 p. m. This will be also the annual banquet of the Minneapolis Underwriters Association, host for the convention.

Bridge in the afternoon and a Lake Minnetonka boat ride are planned for the ladies.

W. C. Hamburg of the Mercantile Insurance Agency, Minneapolis, is general chairman of arrangements. H. D. Smith of the Phelps Agency, Minneapolis, is chairman of entertainment and transportation, and has arranged for transportation for those not having cars.

The Insurance Exchange of St. Paul may also make this occasion a special meeting. A large attendance of Twin City insurance men is anticipated and efforts are being made for a large attendance from outside the Twin Cities. Company officials, office employees and field men have been invited to attend.

### Canada Changes Are Made

C. E. Sword of Toronto, manager of the Union of Canton and affiliated companies, announces that G. E. Turnbull of Winnipeg, western superintendent, has been transferred to take charge of the Montreal branch. Ronald Woodcock succeeds Mr. Turnbull. He was formerly associated with the North British & Mercantile at Winnipeg. James Adams is transferred to the home at Toronto to be chief underwriter in the casualty department.

## Old-Time Illinois Field Men to Have Luncheon



**ROBERT C. HOSMER**

R. C. Hosmer, vice-president of the Excelsior of Syracuse, who is in Chicago this week, proposes to call a luncheon for old-time Illinois field men in that city during the week that the National Association of Insurance Agents is meeting and perhaps organize a veterans' association. He will issue an invitation to all men who traveled in the state prior to 1918. Mr. Hosmer was state agent of the Phoenix of Hartford and was president of the Illinois State Board. Prior to that he traveled for the Shawnee Fire in the central west. There are a number of old Illinois field men that are now in official positions and the suggestion made by Mr. Hosmer has been received very favorably.

### Clark Sues for Salary

DES MOINES, Aug. 23.—A mandamus suit has been filed in district court here by Commissioner E. W. Clark to compel payment by the state of his semi-monthly salary of \$166.66, due Aug. 15. The check was withheld by C. B. Murtagh, state comptroller, on the advice of Attorney General O'Connor, in an opinion which held that Mr. Clark is not entitled to his salary as commissioner because while a state senator in 1931 he voted to increase the commissioner's salary and the same year he was appointed commissioner.

Clark was successful in a motion to strike portions of the defendant's answer. On Mr. Clark's motion, the court eliminated eight counts set up in defense but overruled the motion as to 11 others.

### Office Manager — Chief Accountant WANTED

Large General Agency in Southwest desires services of experienced Office Manager and Chief Accountant. Give experience. Address X-73, The National Underwriter.

Home Office Accountant would like to respond with a company considering a change in their accounting methods. Can design, install and operate complete system. Handle all accounting, taxes and collections. Address X-70, The National Underwriter.

Audits Investigations  
**FERGUSON, SERLING,  
DANIELS & PORTER**  
ACCOUNTANTS AND ACTUARIES  
102 Maiden Lane, New York, N. Y.  
Organization Management

**C. of C. Committee on Fire Service Extension Is Named**

**GOLDSMITH IS THE CHAIRMAN**

National Fire Waste Council Department Will Promote Short Courses for Firemen

WASHINGTON, D. C., Aug. 23.—The new fire service extension committee of the National Fire Waste Council is announced by the U. S. Chamber of Commerce. The efforts of this committee in the past were largely responsible for the rapid growth of short courses for firemen. Last year short courses for firemen at some central point, or regional schools, were held in 24 states; approximately 9,000 firemen attending. In 14 additional states educational activities consisted of fire department training conferences.

The committee will consider matters of policy and practice in this field, promote additional schools, assist in the formulation of the program for such schools and in general, act in an advisory capacity to the National Fire Waste Council and the insurance department of the National Chamber on the important questions having to do with the training of firemen.

The chairman is Clarence Goldsmith, assistant chief engineer National Board, Chicago. The other members are: O. D. Adams, state director, state board for vocational education, Salem, Ore.; E. L. Boatright, battalion chief bureau of fire, Portland, Ore.; Sherwood Brockwell, deputy state fire marshal, Raleigh, N. C.; Frank Cushman, chief industrial education service, federal board for vocational education, Washington, D. C.; Walter Hough, Baltimore; A. H. Koltoski, chief fire department, Rutland, Vt.; Frank McAuliffe, chief Chicago Fire Insurance Patrol; L. J. Murphy, municipal engineer Iowa State College, Ames, Ia.; W. A. Newman, assistant secretary Pacific Board, San Francisco; Prof. L. H. Provine, director of fire college, department of agriculture, University of Illinois, Urbana, Ill.; George Richardson, secretary International Association of Fire Fighters, Washington, D. C.; R. E. Richman, editor, "Fire Protection," Cincinnati; Harry K. Rogers, Western Actuarial Bureau, Chicago; Fred Sheppard, Editor "Fire Engineering"; E. H. Warr, chief fire insurance salvage corps, Baltimore; G. S. Watson, chief engineer fire department, Washington, D. C. and E. W. Williams, chief fire department, East Lynn, Mass.

**Importance of Good Hose**

The National Board, in its latest progress report, makes the observation that because of financial conditions there has been a general tendency to curtail purchase of hose for fire departments. The National Board states it is essential for effective fire service at times of serious fires that there be at least 2,000 feet of hose available for each engine or hose company and that this hose be of sufficiently good quality to withstand the pressure imposed. All hose and especially that over five years old, after which it is of doubtful value, should be tested to 200 pound pressure and defective sections replaced.

The National Board also cites with satisfaction the announcement of the Eastman Kodak Company reducing the price of safety x-ray film to that of nitrate film. The principal obstacle to the general use of the acetate or safety film has been its greater cost, the National Board states.

The Hill-Courtney Insurance Agency, composed of J. G. Hill, for years in the insurance business, and R. B. Courtney, Jr., has been organized in Dallas. The agency is located in the Gulf States building.

**Fifty Years**



E. S. PHELPS

Arrangements are being made by the field men of Iowa to give a testimonial dinner Aug. 31 to E. S. Phelps of Burlington, Ia., head of Phelps Insurance Agency, in honor of his 50 years in insurance. The Phelps agency was established in 1883. C. H. Phelps, son of E. S., is associated with his father in insurance work. The elder Phelps for many years was Iowa state agent of the North America and is widely known throughout the state. He is a former president of the Fire Underwriters Association of the Northwest. Two companies now represented in the agency, the National of Hartford and the Great American, were in the agency when Mr. Phelps started. At the dinner it is expected that the western managers of these two companies, C. R. Street of the Great American and G. H. Bell of the National, will be present.

**INSURANCE STOCK QUOTATIONS**

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Aug. 21

Stock	Div. per	Par	Share	Bid	Asked
Aetna Cas.	10	1.60	52	55	
Aetna Fire	10	1.60	34	36	
Aetna Life	10	...	24	26	
Amer. Alliance	10	1.00	15	17	
American, N. J.	2.50	.50	8	9	
Amer. Surety	25	1.40	21	23	
Automobile, Conn.	10	1.40	20	22	
Boston	100	16.00	460	480	
Carolina	10	.50	15	17	
City of N. Y.	100	2.50	131	137	
Continental As.	10	2.00	25	27	
Continental Cas.	5	...	11	13	
Continental Ins.	2.50	1.20	28	30	
Fidel-Phenix	2.50	1.20	28	30	
Fireman's Fund.	5	3.00	54	56	
Fireman's F. Ind.	10	...	19	20	
Firemen's	5	...	4 1/2	5 1/2	
Franklin Fire	5	1.00	17	18	
Glens Falls	10	1.60	28	30	
Great Amer. Ind.	1	...	5	6	
Great American	5	1.00	17	19	
Hanover	10	1.60	28	30	
Harmonia	10	.50	16	18	
Hartford Fire	10	2.00	43	46	
Hartford St. B.	10	1.60	50	53	
Home, N. Y.	5	1.00	19	21	
Home F. & M.	10	2.00	27	30	
Ins. Co. of N. A.	10	2.00	43	45	
Maryland Cas.	2	...	2 1/2	3 1/2	
Mass. Bonding	25	...	17	20	
National Cas.	10	...	5 1/2	7	
National Fire	10	2.00	44	46	
National Liberty	2	.10	5	6	
National Union	20	...	40	43	
New Amst. Cas.	5	1.20	14	16	
New Brunswick	10	.50	16	17	
North River	2.50	.60	16	17	
N. W. National	25	.50	80	84	
Occidental	10	...	16	19	
Pacific Mutual	10	2.00	26 1/2	27 1/2	
Phoenix, Conn.	10	2.00	55	57	
Prov. Wash.	10	.80	24	26	
Snrfd. F. & M.	25	4.50	82	84	
St. Paul F. & M.	25	6.00	120	125	
Sun Life	100	...	450	475	
Travelers	100	16.00	420	435	
U. S. Fire	4	1.20	30	32	
U. S. Fid & G.	2	...	4	5	

**VIEWED FROM NEW YORK**

By GEORGE A. WATSON

**BLACK TOM EXPLOSION CLAIMS**

When the mixed claims commission made an exhaustive inquiry into the Black Tom Island munitions explosion, involving about \$40,000,000 damage charged to be due to the work of German saboteurs during the World War, and found there was no evidence of German complicity in this disaster, the case was considered closed. American marine underwriters, whose claims for German submarine losses have been approved by the commission and who have only received a part of the amounts due them, were much interested in this decision. The mixed claims commission had a very large sum in reserve for the Black Tom claims if approved and it was expected that this would be at once released for the payment of these marine claims. This was not the case. It now develops that the Black Tom claimants, after ineffectual attempts to get special legislation through Congress allowing their claims, have succeeded in reopening the case with federal officials. Efforts were made without success at a federal inquiry in Baltimore to connect German

activities with the Black Tom and Kingsland explosions and the investigation is still on. The belief in well informed circles is that the American companies are in for a long wait before being paid the balance due them on awards.

\* \* \*  
**COMPARISON OF LOSSES**

The National Board fire loss record for the first seven months as compared with the similar period of the last two years is as follows:

	1931	1932	1933
Jan.	\$44,090,783	\$39,224,783	\$35,547,565
Feb.	41,776,051	39,824,622	36,561,481
Mar.	44,074,362	49,189,124	35,321,248
Apr.	41,423,764	43,822,233	27,825,970
May	37,835,273	39,270,524	24,338,714
June	33,368,578	34,338,670	21,578,609
July	33,024,594	32,982,434	20,004,049
Total	\$275,592,871	\$278,652,390	\$201,277,636

The New York "Journal of Commerce" finds there were 234 fires in July in the United States and Canada which caused damage of \$10,000 or more, the aggregate being \$9,744,500. The principal ones were in Brooklyn, a brewery, \$100,000; Parkin, Ark., lumber yard,



**Fire Association of Philadelphia  
The Reliance Insurance Company  
Victory Insurance Company**

OTHO E. LANE, President  
JAMES G. MACONACHY, Vice-President  
WILLIAM S. EVANS, Vice-President  
J. VICTOR HERD, Secretary

**HEAD OFFICES**

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**OCEAN AND INLAND MARINE DEPARTMENTS**

**Appleton & Cox, Inc., Attorney  
8 South William Street  
New York City**

Service Offices or General Agencies in all Principal Cities

**Detailed list of Securities showing  
condition as of June 30th, 1933,  
will be supplied on request.**

\$75,000; Springfield, Ill., state house, \$75,000; Roanoke, Va., store, \$75,000; Causapascual, Que., business block, \$200,000; Covington, La., chemical plant, \$75,000; Simcoa, Ont., produce warehouse, \$110,000; Charleston, W. Va., flour mill, \$75,000; Union City, Pa., furniture factory, \$125,000; Cumberland, B. C., business block, \$125,000; Louisville, lumber plant, \$80,000; Chicago, paper warehouse, \$250,000; Sidney, N. S., warehouse, \$125,000; Chicago, produce warehouse, \$125,000; Uniontown, Pa., warehouse, \$100,000; Calgary, Alta., business block, \$150,000; Turlock, Cal., store, \$75,000; East Dallas, Tex., lumber yards, dwellings, etc., \$250,000; Fresno, Cal., grocery warehouse, \$250,000; Albert, N. B., business blocks, \$75,000; Tessville, Ill., box factory, \$200,000; Charette, Que., business block, \$75,000; Montreal, Que., business block, \$75,000; Montreal, Que., business building, \$75,000; North Bend, Ore., shipyard and power plant, \$300,000; Gladwin, Ia., station, store, cars, \$250,000; Camden, N. J., lumber yard, \$250,000.

#### WANT VALUES ASCERTAINED

Fire companies maintaining competent engineering staffs are being requested by agents and brokers to aid in determining the value of property of assureds, local men not feeling competent

to undertake the work and few being able to maintain efficient engineering talent. Within recent years property values have fluctuated widely, with a rapid appreciation prior to the fall of 1929, and almost as marked a decline since that period. The extent to which individual plants have been affected is a problem which agents and brokers, with few exceptions, feel unable to determine, hence their calls on company offices for aid. It is pointed out to applicants that the services of appraisal institutions of established reputation are available in such direction and that calculations supplied by them would prove of distinct value to property-owners as well as agents or brokers, a fact that should be impressed upon large assureds.

#### DECREASE IN PREMIUMS SEEN

A decrease of approximately 13 percent in the fire premiums in the first half of the year, compared with those for the like period of 1932, is revealed in the returns to the New York fire patrol. This is felt to be somewhat less than that sustained by companies for the country as a whole, which latter figure is generally felt to be about 15 percent. Such increase in business as may come during the remaining half of the year will doubtless be from coverage on stocks, little gain being anticipated from

building lines. New building operations are limited in number, there being already a surplus of apartment, hotel, office and manufacturing structures, and the further erection of properties in any of these classes is not to be expected to any material degree, so far as the metropolitan territory is concerned.

#### VOGEL IS IN CHARGE

Pending the selection of a successor to the late Ira G. Hoagland as secretary-treasurer of the National Automatic Sprinkler Association, the affairs of the organization will be directed by F. C. Vogel, vice-president, a sprinkler expert of extended experience.

#### INTER-OCEAN'S NEW YORK PLANS

President Roy E. Curry of the Inter-Ocean Reinsurance is expected in New York shortly to complete final details for its New York office. The new office will probably be in charge of Alonzo Church, former vice-president of the La Salle Fire of New Orleans. Mr. Church entered the insurance business in 1892 in the office of the Mississippi Home of Vicksburg and in 1904 became state agent of the North America. He became vice-president of the La Salle Fire in 1925.

#### Will Crawford Reminiscences About Late Paul B. Gaylord

Insurance Editor W. S. Crawford of the New York "Journal of Commerce," who is an authority on all the old-timers in the business, as he often came in contact with some of the picturesque characters in insurance, comments on the death of Paul B. Gaylord of Denver. Mr. Crawford writes as follows:

"Among the oldtimers in the National Association of Insurance Agents who knew him best he was regarded as a rare character. He had a most entertaining way of telling experiences of his own, reciting them as an elocutionist might do, and he was given to doing the unexpected."

"At the annual meeting of the National association in Indianapolis in 1906 a subscription was being taken up for some purpose and men rose and announced: 'I will give \$25' or 'Put me down for \$5,' and the secretary did the recording. Paul Gaylord was sitting near the president's place, facing the audience. Suddenly he began to sing: 'Let them come in, let them come in, let the dear angels come in,' as if he had forgotten that it was not a church which was raising the money. That convention, by the way, was made famous by the first appearance of J. H. Southgate and Col. Walker Taylor, the two big men from North Carolina, both of whom later became prominent in the association.

"At the convention at Minneapolis some years later Paul Gaylord recited the conversation between Mrs. Murphy and himself at Junction City, Kan., when he was assistant postmaster and Mrs. Murphy called for her mail. Her arm was in a sling and when he asked her about her trouble she explained that she had broken her wrist by falling when she stepped on a rolling stone as she was going to her 'private devotions.' The old lady used profanity quite freely, but the story was so good that Gaylord was forced to get up before the whole convention and recite it. He was a good scout and everybody who knew him liked him."

#### Lachance Canadian Manager

J. R. Lachance, formerly secretary of the British Colonial Fire, has been appointed Canadian manager of the Rhode Island group with headquarters in Montreal.

The insurance business of the **Aetna Trust Company** of Indianapolis, now being liquidated, has been purchased by the City Securities Corporation.

## FIELD MEN'S NEWS

#### C. J. Malcolm Is Promoted

Becomes Special Agent for the Aetna in the Quebec and Ontario Provinces

C. J. Malcolm has been appointed special agent of the Aetna for Ontario and Quebec. He will have Quebec for the World F. & M. He will be the Aetna's official representative in the Canadian Fire Underwriters Association. He was special agent of the Aetna in Alberta until 1929, when he was transferred to Toronto as associate special agent to take care of Manitoba, Ontario and Quebec.

#### Returns to Firemen's Group

Frank A. Rumsey has been appointed special agent for the Concordia, Superior Fire and Milwaukee Mechanics of the Firemen's group, covering the San Joaquin valley and coast territory in California. He was formerly city special agent in San Francisco for W. W. & E. G. Potter, coast managers of the Bassett companies. He resigned recently to enter the local agency business. He will have headquarters in San Jose, Cal.

#### Change in Arkansas Supervision

F. L. Stabler of Louisville, special representative for Corroon & Reynolds, will hereafter supervise northeastern Arkansas, Tennessee, Indiana and some of the larger cities of Ohio. Donald E. Chilcott, state agent, and his two special agents will continue to look after western and southeastern Arkansas.

#### Minnesota School District Can't Insure in Reciprocal

School districts and other public bodies in Minnesota cannot insure in reciprocal or inter-insurance exchanges, according to the decision of Judge Edward Freeman in the eleventh district court at Carlton. The decision was clear cut. J. T. Miller, as trustee in bankruptcy of the Minnesota Insurance Underwriters, brought suit against the school board, individually and as trustees of school district No. 16, Carlton county, for an assessment to pay the losses of the reciprocal. The school board resisted on the ground that it was unlawful under the Minnesota law for a school board to insure with reciprocals. The court ruled:

"A common school district is a quasi municipal corporation with only those powers as are conferred upon it by the legislature solely for the exercise of public functions for educational purposes. It has the power to insure its school buildings, Section 2815, subdivision 3, Mason's code. But it has no power to enter into the business or writing insurance on property not its own, nor can the trustees delegate to another the right to pledge the assets of the school district which are raised from taxation to insure the property of others they know not of nor to lend the credit of the school district for any such purpose. . . . As I understand it, the attorney-in-fact of the insurance exchange may bind any member on policies covering liability or compensation insurance or damages to person or property caused by automobile accidents by complying with Section 3589, in addition to writing fire and other general lines of insurance except life and marine insurance. I can find no authority for a school district entering into such a business, and certainly it cannot be held that it has any such implied authority."

## MEETING THE TEST of Insurance-Buying Motorists

**F**INANCIAL strength that assures impregnable protection—facilities providing prompt and efficient service from coast to coast.

These are the qualities demanded by discriminating Automobile insurance buyers in placing their coverage. Under this test the American Motorists is rapidly gaining nationwide recognition for superiority.

With assets over \$3,780,000, including policyholders' surplus exceeding \$1,000,000, and more than 70% of invested assets in cash, U. S. Government and selected state, county and municipal bonds, this company is practically invulnerable financially. Its nationwide chain of branch offices and claim representatives furnish policyholders an unsurpassed service wherever they may go.

Such AMICO advantages are each year winning from new thousands of motorists an approval tangibly expressed in their patronage, bringing to this company and its representatives a consistent and growing prosperity.

## AMERICAN MOTORISTS INSURANCE COMPANY

James S. Kemper, President

MUTUAL INSURANCE BUILDING, CHICAGO, U. S. A.

Largest Illinois Stock Casualty Insurance Company

XUM

## AS SEEN FROM CHICAGO

### COMMITTEE ON PROGRAM

The committee on order of business for the semi-annual meeting of the Western Underwriters Association, to be held at Saranac Inn, Saranac, N. Y., Sept. 19-20, consists of E. A. Henne, America Fore, chairman; J. A. Campbell, Home; R. D. Stafford, Travelers Fire; F. M. Gund, Crum & Forster, and J. F. Stafford, Sun. The committee will hold a meeting in Chicago Sept. 1 to prepare the program.

\* \* \*

### REDUCTION NEAR 19 PERCENT

Chicago fire premium figures filed with the city controller's office for purpose of the premium tax, for the period ended June 30 indicate tentatively a reduction of more than 19 percent from figures for the previous fiscal year. A great many companies have filed their returns and the percentage probably will not be modified much by later filings. Figures heretofore presented for the last fiscal year, including those appended below, show total premiums \$8,450,605, as against \$10,479,063 for the 12 months ended June 30, 1932. In making this comparison figures were counted only of companies showing 1932 and 1933 returns.

In the hey day of Chicago fire insurance total returns ran nearly to \$27,000,000. Then with the depression began yearly reductions running about 25 percent. The last filings indicate, at least, that this percentage has been considerably reduced for the last year. Additional figures are:

	1933	1932	1931
Aetna	325,367	389,454	481,220
Agricultural	46,445	47,568	67,958
Amer. Eagle	86,766	....	....
Capital, N. H.	107	15,348	27,443
Citizens, N. J.	13,857	17,409	157,781
Columbia, O.	19,970	16,031	6,781
Commonwealth	90,373	95,493	91,444
Concordia	18,232	17,018	23,179
Continental	257,779	....	....
Dixie	696	3,058	6,545
Deal. Natl. M.	4,429	....	....
Eag. St. & Br. D.	60,765	65,910	65,247
Empire State	43,269	32,567	26,225
Excelsior	1,752	....	....
Fld. Phenix	215,390	....	....
Fireman's Fund	153,761	222,841	314,186
Firemen's, N. J.	63,863	101,944	131,962
First Natl.	982	4,965	....
First Amer.	35,832	....	....

Company	1933	1932	1931
General	19,183	21,473	33,158
Girard F. & M.	165,098	169,716	212,993
Granite State	28,362	36,752	35,737
Hartford	331,823	411,401	471,181
Home F. & M.	47,199	39,156	42,356
Homeland	7,932	20,126	22,538
Law, Un. & Rock.	56,382	....	....
Lbr. Mutual, O.	13,299	7,619	15,774
Lincoln (inc. Chgo.)	11,723	25,876	39,410
London Assur.	114,228	117,511	130,224
Lond. & Lanc.	141,125	....	....
Maryland	31,285	....	6,647
Mechanics, Pa.	4,949	4,393	20,647
Mercantile	67,351	86,952	93,550
Mich. F. & M.	16,173	19,750	5,744
Milw. Mech.	183,352	203,206	246,244
Nat. Ben Fr.	62,782	62,329	70,489
New England	15,839	13,049	8,187
Niagara	133,222	....	....
No. Br. & Merc.	174,660	135,664	135,391
*Northern, N. Y.	38,079	86,236	115,880
*N. Y. Und.	75,705	92,789	133,584
Occidental	16,205	13,031	13,695
Ohio Mill. M.	1,541	814	1,969
Orient	96,807	....	....
Pacific	64,192	65,048	93,797
Pennsylvania	134,741	148,660	161,428
Phila. Natl.	24,391	22,021	25,086
*Potomac	48,550	59,535	69,932
*Sc. Un. & Natl.	43,556	53,358	65,657
Safeguard	14,499	....	....
Sentinel	9,480	....	....
Springfield F. & M.	242,571	287,044	320,595
Stand. Marine	18,575	....	....
Standard, N. Y.	173,409	157,781	162,765
Superior	22,596	28,148	25,128
Tokio M. & F.	28,137	15,423	27,333
Twin City	1,784	5,214	8,028
*Wash. Assu., N. Y.	1,241	1,322	12,185
World F. & M.	53,252	41,865	81,346
*Incomplete.	....	....	....

### COATES VISITS CHICAGO

C. H. Coates, now resident of Long Island, who was formerly vice-president of the National Liberty Fire and prior to that assistant western manager and then manager, has been visiting Chicago accompanied by Mrs. Coates. His son, Haskell, is connected with the Federal Reserve Bank in Chicago and resides at Glencoe, Ill. Mr. Coates was one of the wheel horses of the old Germany Fire, changed to National Liberty, when E. G. Halle was manager. He had charge of the Rocky Mountain field and then was called to Chicago as assistant manager.

In announcing last week the establishment of a branch in Newark by the Philadelphia brokerage firm of **A. M. Greenfield & Co.**, it was inadvertently stated the office would be in the Essex building, whereas quarters have been secured in the Academy building.

## Fire Company June 30 Figures

### (As Reported to the Georgia Insurance Department)

	Capital	Assets	Surplus	Six Months'		Disburse.
				Income	Disburse.	
Aetna	\$ 7,500,000	\$ 43,185,151	\$ 15,557,522	\$ 2,711,723	\$ 9,052,101	
American Eagle	1,000,000	12,563,573	6,232,322	1,778,003	1,619,732	
Automobile	5,000,000	19,871,877	3,918,729	3,384,425	3,299,717	
Bankers Fire, N. C.	200,800	353,620	64,185	33,391	31,412	
Boston	3,000,000	19,087,667	8,732,639	2,869,488	2,848,334	
Continental	4,873,989	81,971,644	34,850,001	11,133,607	13,205,272	
East & West	1,000,000	2,664,480	1,012,017	278,967	186,218	
Export	400,000	1,025,378	428,842	111,124	55,941	
Fidelity Phenix	3,464,824	64,799,254	26,472,470	8,407,458	10,022,717	
General Exchange	1,000,000	16,143,160	8,979,937	5,240,820	4,169,996	
London & Lancashire	7,705,319	2,676,095	1,811,539	1,823,897	1,823,897	
Merchants, R. I.	1,000,000	2,828,605	693,926	572,729	556,077	
Mercury	1,000,000	4,153,036	997,086	876,769	787,973	
National Union	1,100,000	12,231,505	3,035,311	3,092,793	3,183,136	
Niagara	2,000,000	21,439,116	9,618,233	2,886,162	2,849,923	
Northern, N. Y.	1,000,000	9,212,766	2,807,216	1,972,267	1,881,182	
Old Colony	1,000,000	7,284,164	4,318,367	875,272	779,447	
Rhode Island	1,000,000	3,534,599	691,951	698,218	854,677	
Security, Conn.	2,000,000	9,651,255	2,572,566	2,273,994	2,501,602	
State of Penna.	1,000,000	3,921,901	1,657,069	459,122	1,375,911	
St. Paul F. & M.	4,000,000	31,774,138	10,586,230	5,908,748	5,963,280	
World F. M.	1,000,000	4,352,208	2,111,142	597,581	509,435	
Thames & Mersey	1,249,816	703,820	244,630	250,958		

†Foreign.

### Mutuals

	Assets	Surplus	Six Months'	Income	Disburse.
Berkshire Mut.	\$ 822,229	\$ 263,139	\$ 298,761	\$ 280,798	
Carolina Mutual	460,318	387,279	60,123	54,767	
Central Manufacturers Mut.	4,273,186	1,783,750	1,551,949	1,591,767	
Fitchburg Mutual	706,710	200,218	275,961	287,555	
Grain Dealers Natl. Mutual	2,884,098	1,419,821	778,341	796,333	
Hardware Dealers Mutual	4,220,741	1,480,272	1,831,935	1,819,477	
Indiana Lumbermen's Mut.	2,307,801	1,428,254	647,479	602,909	
Lumbermen's Mutual	2,100,995	626,333	952,784	936,013	
Millers Mutual, Ill.	2,283,814	1,308,587	727,236	682,236	
Millers Mutual, Tex.	1,315,011	706,432	395,589	426,165	
Mill Owners Mutual, Ia.	2,207,819	918,583	805,635	912,990	
Minnesota Implement Mutual	3,717,225	1,052,122	1,683,862	1,746,667	
National Mutual, O.	379,156	185,120	111,625	125,430	
Northwestern Mutual, Wash.	4,234,493	840,375	2,135,373	2,130,978	
Pennsylvania Millers Mutual	2,364,050	1,703,143	442,891	357,812	
Retail Hardware Mut., Minn.	5,094,699	1,670,247	1,966,215	1,856,640	
Southern Mutual, Ga.	1,718,475	1,302,239	226,866	220,972	
United Mutual, Mass.	3,322,976	1,408,796	1,230,714	1,103,451	
Western Millers Mut., Mo.	769,042	402,350	281,259	278,393	

## Lay Plans for Conferences of Agent Groups in Chicago

NEW YORK, Aug. 23.—The first of the series of group conferences to be held during the annual convention of the National Association of Insurance Agents at Chicago, will take place Oct. 10, leading with S. O. Smith. It will be confined to agents having a premium income of up to \$100,000. The second group, for agents producing between \$100,000 and \$300,000 in premiums will be presided over by F. Hickman, while Albert Dodge will lead the group consisting of those writing in excess of \$300,000 premiums annually.

Sales and advertising talks will be features of the convention, addresses by such experts in the line as Ray Dreher of the Boston, Frank Ennis of the America Fore group and Stanley J. Withe of the Aetna Casualty & Surety being scheduled.

### Balie C. Gross' Address

CHATTANOOGA, Aug. 23.—Balie C. Gross of Nashville, president of the Tennessee Association of Insurance Agents in his annual address before the meeting here, stated that with the organized agents there should be a

greater period of business stability. This should be brought about if not by voluntary submission to proper codes of ethics, then by public consciousness that practically forces submission. Progress, he said, is being stayed by those that will not follow recognized principles of fair dealing. He said that the local agents' body should have the full support of the Tennessee Fire Underwriters Association. He said that he feels that the field at times does not give the support to the local agents' body which the latter deserves.

### Death of Buffalo Veteran

BUFFALO, Aug. 23.—Struck by an automobile as he was alighting from a street car on June 20, J. H. Woodworth, secretary of the Woodworth-Hawley Agency, died in the Millard Fillmore hospital here. He had been in the hospital since the time of the accident. Mr. Woodworth, who was 77 years of age, was one of the veterans of insurance in this territory.

### Plan National Arson Drive

A nation-wide drive against arson will be urged by Fire Chief J. N. Sullivan of Utica, N. Y., at the convention of the International Association of Fire Chiefs, now in session at Cleveland.

## IF WE WERE A FACTORY - - -

We could point to tangible qualities in our product and say "this is built of the best lumber or steel; it works efficiently, economically; it lasts many years; its low cost for such quality cannot be matched."

As it is, we are a Service Company—serving Agents; serving their customers! The human element enters the picture.

We cannot say our Insurance is the best. It is only good to the extent that our company is well managed—and our agents and their customers have confidence in our management.

Therefore, it is enough to say that we let no opportunity escape us to keep our service excellent and to add to the growth of our company without sacrificing financial security.

## Kansas City Fire and Marine Insurance Company

### Home Office:

Federal Reserve Bank Bldg.  
Kansas City, Mo.

### Branch Office:

Insurance Exchange  
Chicago, Illinois

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### Gives Good Account of Itself

THERE is no doubt that in the period of tremendous depression and difficulty through which the insurance business, and all other business, is passing or as we hope has virtually passed the position of the trade papers has been strengthened. The marked difference between a trade paper and a trade association organ or other method of expression from a representative of a business is in the freedom and independence of its view. The trade paper is of course sympathetic in its attitude toward the business which it serves but it is nevertheless independent and free to say what it chooses. The power and influence of the trade press in America is shown by the lists of membership in such publishing organizations as the ASSOCIATED BUSINESS PAPERS, the NATIONAL PUBLISHERS ASSOCIATION and the AUDIT BUREAU OF CIRCULATIONS. Undoubtedly an independent and virile trade press makes a decided contribution to any industry it serves and to the business world at large. The very fact that it acts on its own responsibility enables it often to lead in discussions and open subjects which could not very well be brought up from within the business itself, by any official organization. A trade paper is no different in serving its industry from a daily paper in serving the city in which it is located. Each has a set of interests to which it is devoted, for the common good.

The insurance papers have during the depression wisely discussed the facts and conditions of the business and shown the trends. Important facts have

not been concealed or colored. The assumption has been that the insurance world wants to know what is going on and this demand has been met by trained editors and news gatherers. Frauds and weaknesses have been uncovered and through wholesome publicity there has been no misconception of actual facts and conditions. Although a helpful and encouraging attitude has been maintained this has not prevented publicity on matters of essential importance. And the best part of it is that the insurance interests and the companies have not themselves objected to proper publicity but rather have encouraged it. The papers on their part have not taken any mean advantage of companies that might be temporarily embarrassed and attempted to "chisel" advertising or other favors by improper use of their publicity powers. In older days there were papers which would see an opportunity for profit to themselves in the condition of this or that company. A good instance in point is that of the NATIONAL SURETY which has never believed in advertising in the trade papers and yet when its troubles came upon it not a single paper treated the company any less generously or fairly than it would have had it been a consistent patron over the years. The fact is that the papers are selling white space at reasonable prices for legitimate advertising purposes only. The entire secular and trade press of the country has served a very useful purpose throughout the depression and has been animated by professional and ethical motives.

### More Demand for Help

IT IS interesting to note that this week THE NATIONAL UNDERWRITER is carrying six want advertisements for casualty and fire people. Last week there were probably four want ads of a similar nature. This may indicate that companies are branching out to some extent and adding to their organization. It has been some time since THE NATIONAL UNDERWRITER in one issue carried six want advertisements for help. It is gratifying to know that

there are opportunities open for good men.

PEOPLE that are abounding with enthusiasm even in days of discouragement, when the world seems to be going to the bad in every particular, radiate the spirit of encouragement and good cheer. They keep us going. They fill us with hope and courage. Enthusiasm kills stagnation and burns up despair.

## PERSONAL SIDE OF BUSINESS

**D. W. Redfield**, formerly assistant western manager and later joint manager of the Pennsylvania Fire, who retired from business many years ago, is now residing in Los Angeles. He was assistant manager under the late C. H. Barry and then when Mr. Barry became vice-president of the Pennsylvania Fire Mr. Redfield and the late G. H. Batchelder were made managers.

Insurance Commissioner **John J. Holmes** of Montana is spending some days in Cleveland, O. Mr. Holmes is a former local agent at Great Falls, Mont., and served as general agent for the Minnesota Mutual Life.

**H. L. Ekern**, former Wisconsin commissioner and well known insurance attorney, his wife and their daughter, Dorothy, have left for a six weeks' trip abroad. They will travel in England, Germany and the Scandinavian countries.

**Frank Henry**, Ohio state fire marshal, who was injured recently in an automobile accident, is improving. Surgeons now express the belief that it will not be necessary to amputate one of his hands, as was first thought necessary.

After six weeks absence **T. A. Fleming**, supervisor of the conservation department of the National Board, is again at his desk in New York City, though forced to use support in walking about. When arranging to leave the city to attend the annual convention of the New England Fire Chiefs Association at Auburn, Me., June 17, Mr. Fleming was struck by a passing automobile, and so severely injured as to confine him to a hospital for several weeks.

**H. P. Smith**, staff adjuster for the American of New Jersey in Illinois, has been an invalid as the result of an accident sustained in July, 1930. He has to walk with crutches. He is living at Alma, Ill. Mr. Smith started traveling for the Home in 1908 and went with the American in April, 1916. He has been residing in Alma for about a year. He formerly lived at Urbana.

**J. C. Beedy**, 53, manager of the city department of the London & Lancashire companies in San Francisco for 25 years, died at his home in Berkeley, Cal., after a long illness. He had been with the office 35 years. About two years ago Mr. Beedy suffered a heart attack which left him in a weakened condition and since that time has virtually been retired. He was the oldest employee in point of service in the London & Lancashire's Pacific Coast office. A large delegation from the fire insurance district of San Francisco attended the funeral.

**Jay W. Stevens**, chief of the fire prevention bureau of the National Board and California state fire marshal, is attending the annual convention of the International Association of Fire Chiefs which is being held on the steamer Cee-and-bee, traveling from Cleveland to Chicago. Chief Stevens is executive secretary of the organization and secretary of the Pacific Coast Association of Fire Chiefs.

**J. W. Emery** of Portsmouth, N. H., secretary of the Granite State Fire, who had been connected with it since its organization, died suddenly while witnessing a baseball game at Boston. He was born in 1866. In 1885, when he was 19 years of age, he became associated with the Granite State just as it was starting. Before that he had been with a local agency at Lawrence, Mass. He

was prominent in Portsmouth, having served as a member of the city council, mayor and later state senator. He was a leading character in Democratic politics. He was president of the New Hampshire National Bank at Portsmouth and vice-president of the Portsmouth Trust & Guaranty Co. The Granite State Fire is owned by the New Hampshire and Mr. Emery was the executive officer in charge at the home office.

**Homer M. Adkins**, of the Adkins & Williams agency, Little Rock, Ark., was sworn in last week as internal revenue collector for Arkansas.

**F. R. Bigelow**, president of the St. Paul Fire & Marine, has been named a member of the national citizen's committee which will aid in directing the community fund campaigns of the country. Mr. Bigelow has always taken an active interest in this work in St. Paul.

**Prioleau Ellis**, a member of the firm of Rhett, Ellis & Weaver, New Orleans, died in a hospital there last week. He received his early insurance training in Atlanta, moving to New Orleans 15 years ago.

**H. K. ("Smoky") Rogers** of the fire prevention department of the Western Actuarial Bureau, who presented his fire clown act in the children's theater on Enchanted Island at the Century of Progress exposition a couple of weeks ago, has been booked for a return engagement Sept. 1, when he puts on his act twice during the afternoon.

**C. J. Slawson** of the Dulaney, Johnston & Priest agency, Wichita, and Mrs. Slawson are the parents of a son born last week. Mr. Slawson was formerly with the America Fore companies and previously with the Kansas City office of the Missouri Inspection Bureau.

**H. D. ("Dad") Baker**, head of the Citizens Insurance Agency, Wichita, Kan., who became internal revenue collector for Kansas last month, has been made an honorary life member of the Wichita Insurors. Mr. Baker has disposed of his Wichita agency to his former associates but still retains his interest in the Baker Abstract Co., Anthony, Kan., which also operates a local agency.

**Miss Blanche Huber**, secretary to Leo E. Thieman of the Louisville Board, was recently elected to her fifth consecutive term as president of the National Federation of Asher Business Women's Councils, meeting at Winona Lake, Ind.

**C. J. Richman**, Indiana special agent of the American of Newark, has just returned from an automobile trip to New England where he visited his son, Ralph E. Richman of THE NATIONAL UNDERWRITER, at Hartford. He said there are many evidences of reviving industrial activity, especially in New England, where he saw large cotton mills operating 24 hours a day that have been shut down for two years.

### To Revise Advertising Draft

Pursuant to a vote of the executive committee of the Insurance Advertising Conference, President S. F. Withe has appointed the following committee to draft a new constitution and by-laws to be presented at the annual meeting at Briarcliff, Sept. 25-26: Frank Price, Prudential, chairman; John Murphy, Pan-American Life; C. T. Steven, Phoenix Mutual Life; H. E. Taylor, American Fire of Newark, and C. E. Rickard, Standard Accident.

## NEWS OF THE COMPANIES

### G. & R. People Marking Time

**Whether Management Will Appeal Decision Against Removal of Rehabilitator Awaits Jameson's Return**

NEW YORK, Aug. 23.—In the continued absence from town of E. C. Jameson, president of the Globe & Rutgers, who is enjoying a vacation, a decision has not been reached as to whether appeal will be taken from the recent denial by Supreme Court Justice Frankenthaler of the requested removal of Superintendent Van Schaick as rehabilitator of the company and the restoration of the management to its owners.

Meantime, no obligations of any kind are being paid, other than the expenses of the rehabilitator, nor have they been since Mr. Van Schaick assumed control under court order March 24. Claims for losses under outstanding policies are being adjusted in the customary way and through usual channels; payments, however, being deferred until the future of the corporation has been finally settled.

If through a steady and substantial appreciation in the market value of the company's securities the solvency of the company were assured beyond question and such changes in its general managerial policy as the superintendent insists upon were adopted, there is little doubt that the rehabilitator would surrender his present post. In such event the intent of the management would be to dispose of all accumulated claims promptly, and presumably in full, thus clearing the way for a fresh start in the agency field.

Assents to the earlier suggested proposal of the directors that creditors agreed to accept part cash immediately and the balance at deferred periods—the plan being predicated upon acceptance by a given percentage of claimants—are still coming in, though no special effort is being put forth to secure them.

Under authority of the court Mr. Van Schaick has sold close to \$5,000,000 of G. & R. securities, the money thus obtained being used in part to pay return premiums due under terminated reinsurance treaties of the State of Pennsylvania, Lincoln Fire, Rossia and National F. & M. The balance of the cash is in banks on deposit.

### Builds Up Canadian Group

MONTREAL, Aug. 23.—The Provident Adjustment & Investment Company is building up a company group here. It now owns 51 percent of Trans-Canada shares, while the British Colonial Fire has disposed of 51 percent of its shares to the Providence Assurance, in which the Provident Adjustment owns approximately 80 percent. It is believed that in the near future the Rhode Island's Canadian business will be handled by this company, which now has the Provident Assurance, Provident Assurance of Paris, Fonciere Fire, Sussex Fire, Trans-Canada and British Colonial.

### American's Semi-Annual

The semi-annual statement of the American of Newark shows assets \$29,296,837 of which \$1,549,101 are federal government bonds, \$17,916,202 railway and other bonds and stocks, \$1,736,376 bonds and mortgages, \$4,669,417 real estate, \$694,929 cash, \$2,347,985 premiums in course of collection. The premium reserve is \$13,528,050, loss reserve \$2,584,645, contingency reserve \$3,606,386, capital \$3,343,740, net surplus \$5,487,093. By use of a contingency reserve the net surplus is therefore placed on a basis as of market quotations June 30.

### Show Three Old Companies

**Semi-Annual Statements of the United States Fire, North River and Westchester Given**

Three of the Crum & Forster companies have issued semi-annual statements. The North River shows assets \$20,547,678, of which \$965,784 is cash, \$3,706,035 federal bonds, \$14,235,802 other bonds and stocks, \$644,999 first mortgages, \$862,449 premiums in course of collection. The premium reserve is \$6,190,137, contingency reserve \$2,872,254, capital \$2,000,000 and net surplus \$7,930,896.

The United States Fire shows assets \$27,748,538, of which \$1,606,543 is cash, \$4,970,466 federal bonds, \$17,840,417 other bonds and stocks, \$1,495,181 first mortgages, \$1,371,637 premiums in course of collection. Its premium reserve is \$9,706,750, contingency reserve \$3,675,568, capital \$2,000,000, net surplus \$9,968,676.

The Westchester Fire shows assets \$18,569,986, of which \$1,143,806 is cash, \$1,443,135 federal bonds, \$6,611,283 other bonds, \$7,918,473 stocks, \$330,110 first mortgages, \$850,294 premiums in course of collection. Its premium reserve is \$6,528,847, contingency reserve \$3,068,489, capital \$1,000,000, net surplus \$6,573,260.

The contingency reserves in these three statements represent the difference between the convention value and the actual market quotation basis. These are three old companies. The North River was organized in 1822, the U. S. Fire in 1824 and the Westchester in 1837.

### Republic Advances F. A. Pierce

F. A. Pierce has been appointed assistant secretary of the Republic of Dallas. He has been special agent of the company in south Texas for six years. Al Brooks, Jr., has been appointed successor to Mr. Pierce in the south Texas field with headquarters at Houston. He for a number of years has been a local agent. Mr. Pierce will locate at the head office at Dallas and will devote a large part of his time to supervising and developing business in states adjacent to the home office plant.

### Reinsures in Retail Hardware

The American Hardware Mutual of Minneapolis has reinsured its outstanding business with the Retail Hardware Mutual Fire of Minneapolis. The American Hardware was organized in March, 1922, and was under the same management as the Retail Hardware Mutual. It had assets \$223,598, premium reserve \$139,863 and net surplus \$43,610. Its premiums last year were \$244,423.

### Ferguson Succeeds Bird

J. W. Ferguson has been elected president of the New Jersey Manufacturers Association Fire and New Jersey Manufacturers Association Casualty, succeeding the late Philip Bird.

### Miscellaneous Company Notes

The Iowa Hardware Mutual, Mason City, Ia., has been licensed in Michigan.

The Improved Risk Mutual Insurance Association of Delaware, O., has been licensed to write fire and tornado insurance.

In the "United States Review's" table showing the premiums and losses in central western territory the Republic of Texas was shown as the Republic-Universal. The Republic is not affiliated with any company.

Bryan Bell, president of Bryan Bell Company of New Orleans, and past president of the New Orleans Insurance Exchange, was appointed chairman of the executive budget committee of the community chest in that city.



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The Chicago World's Fair expects a total of thirty million visitors, a vast army of prospects for the sale of Automobile, Personal Effects, Camera, Jewelry and Fur Floater and other coverages. North America Agents are aided by folders, newspaper advertisements, sales letters, and the prestige of the North America national advertising.

See the North America full page advertisement in The Literary Digest, August 12th.

**Insurance Company of North America  
PHILADELPHIA**

and its affiliated companies write practically every form of insurance except life.

# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Morrison Has General Agency

**Is Serving the Kansas and Nebraska Field—Has Three Companies in His Office**

John K. Morrison has started his own general agency at Omaha covering Nebraska and Kansas with offices in the Brandeis Theater building. He was formerly a member of the Morrison & Clark general agency, which represented the Globe & Rutgers in several states in the central west. Mr. Morrison has appointed H. F. East, 1012 West 12th street, Topeka, special agent in Kansas. Mr. Morrison has associated with him S. L. Gardner as associate general agent, traveling in Nebraska. Mr. Morrison represents the Federal Union, and Royal Indemnity in Nebraska and Kansas and he has the Alliance of Philadelphia for Nebraska. He is well known in the two states.

### Report Is Made on Akron

**National Board Engineers Bring Out Some Features of Its Fire Fighting Faculties**

The National Board has made a report on Akron, O., showing fire losses for the last five years \$1,804,797 with an average loss per fire of \$271 and an average loss per capita of \$1.42. The engineers say that the water supply is adequate and mainly reliable. Good quantities are available in nearly all districts. The fire department is considerably undermanned and there are too few companies. The fire alarm system is inadequate and only fairly reliable. The engineers say that serious group fires are probable in the congested value district where older buildings predominate. Fireproof, semi-fireproof and sprinklered buildings are frequent, serving as good fire barriers and they should prevent fires from spreading to involve any large portion of the district. Group fires are probable in minor mercantile districts. Large manufacturing plants are well protected and only small areas are liable to be involved. Smaller plants scattered throughout the city offer possibilities of serious group fires.

### Dodge County Agents Hear Banker; May Ask State Meet

WOODLAND, WIS., Aug. 23.—Observations and experiences with insurance men were related by H. G. Diekemann, Horicon, Wis., vice-president Wisconsin Bankers Association and cashier of the Horicon State Bank, at the August meeting of the Dodge County Association of Insurance Agents.

Mr. Diekemann said he believes firmly in entrusting his insurance matters to an agent who has full knowledge of his business, who spends his full time on the job and makes insurance his life's work. He criticized insurance companies that license agents without considering the insurance knowledge such agents have, thereby often resulting in coverage being improperly written for the client.

H. A. Bird, Beaver Dam, vice-president and member of the legislative committee of the Wisconsin Association of Insurance Agents, a member of the Dodge County group, suggested that the county association make a bid for the state convention to be held at Beaver Dam next year. Action on an invitation

will be taken shortly. Among the guests at the August meeting was Marshall Curtiss, Milwaukee, special agent for the Commercial Casualty.

### Grain Association Hit by Big Loss as Year Starts

Loss, now estimated at about \$750,000, was caused in the destruction by fire of the four story, frame grain elevator, known as the Rialto, in Milwaukee. This property was owned by the Chicago & Northwestern railway and was operated by the Donahue-Stratton Grain Company. There were about 1,000,000 bushels of grain in the elevator, including 600,000 bushels of oats, 300,000 bushels of wheat, 50,000 corn and 50,000 other grain.

The insurance was carried in the Underwriters Grain Association. The fiscal year of that organization started Aug. 1, so that this loss came as a blow. There were four large elevator losses in the last fiscal year of the association and the members had hoped that there might be a respite. The day after the loss occurred, the market value of wheat dropped 5 cents and dropped another 5 cents the succeeding day.

The property consisted of a frame house of 1,000,000 bushel capacity and concrete tanks 150 feet away of 500,000 bushel capacity. The connecting bridge between the frame house and the concrete tank was destroyed, but there was little if any damage to the tanks.

### Plan for Missouri Meeting

The Missouri Association of Insurance Agents has circularized its membership asking whether people will favor holding the annual meeting in Chicago during the week of Oct. 9 which is the convention week for the National Association of Insurance Agents there. J. W. Rodger, executive secretary, is tabulating the replies and in due season will make some definite announcement.

### Stage Anniversary Party

LANSING, MICH., Aug. 23.—The Dyer-Jenison-Barry Company and Lansing Insurance Agency force gave an anniversary party at the summer home of George Goodell for Mr. and Mrs. S. D. Fraser, parents of G. I. Fraser, resident adjuster of the Western Adjustment, who were visiting him on the occasion of their 40th wedding anniversary. They are natives of Nova Scotia and it was their first trip into the United States. The celebration was attended by some 35 members of the agency organization.

### Prepare for South Dakota Week

President Carl V. Gibbs and Secretary E. H. Partch of the South Dakota Fire Prevention Association are laying plans for an intensive state-wide fire prevention campaign during Fire Prevention Week, Oct. 8-14.

### Discuss NRA at Wichita

WICHITA, KAN., Aug. 23.—At a meeting of the Wichita Insurers new closing hours to conform with the NRA code were discussed and the matter referred to the executive committee. Lee Brown explained the organization of a chapter of the AAA in Wichita and urged members to join, to assure that automobile insurance benefits would not be granted with memberships. F. T. Priest urged members not belonging to the chamber of commerce to join at

once. Howard Snyder, vice-president, presided. Frank Scott, special agent for the National, was a guest.

C. C. Anderson, who recently opened his own agency upon withdrawing from the Anderson, Brown & Ginzel agency after 13 years' association, was voted to membership in the board, which now has 41 agency members. The name of the former agency has been changed to Brown, Ginzel & Co.

### Dickson to Speak in Kansas

Gen. F. S. Dickson, assistant general counsel of the National Board, Chicago, will appear before chamber of commerce meetings at Wichita and Hutchinson during Fire Prevention Week. He will speak at a dinner meeting in Wichita Oct. 10 and a luncheon meeting in Hutchinson Oct. 11.

Wade Patton, secretary Kansas Association of Insurance Agents, is chairman of the fire prevention committee of the Hutchinson chamber of commerce and E. B. Fergus, Kansas Inspection Bureau, is chairman of a similar committee at Wichita.

### Hukill an N. R. A. Colonel

R. W. Hukill of Norwood, O., special agent of the Fireman's Fund, is appointed a colonel in the N. R. A. army

of Norwood to enroll all enterprises in that Cincinnati suburb under the N. R. A. banner.

### Council Bluffs Safety Campaign

With the objective of persuading automobile drivers in Council Bluffs, Ia., and vicinity to prevent accidents the next seven months, a poster campaign, calling attention to common driving faults, will be carried on by the Council Bluffs Fire & Casualty Agents association.

### Opens New Branch Offices

Bert E. Strubinger, independent adjuster, St. Louis, has opened new branch offices at Quincy, Ill., Cape Girardeau and Kansas City, Mo. The branch office at 207 Holland building, Springfield, Mo., has been in operation for approximately one and a half years.

### Middle Western News Notes

**Clifford Fleming** and **W. H. Vance**, Winterstet, Ia., have purchased the Stark Insurance Agency there.

**J. E. Hopkins**, 71, secretary of the Farmers Mutual of Madison Mills, O., for 26 years, died at his home a few days ago.

**D. B. Christie** of Marion, Ia., has purchased the agency of the late C. C. Overley, Wyoming, Ia., and has opened an office in the First National Bank building.

## IN THE SOUTHERN STATES

### To Have Full-Time Secretary

**Virginia Association Authorizes President and Executive Committee to Make Selection**

RICHMOND, Aug. 23.—The Virginia Association of Insurance Agents is to have a full-time secretary. Decision to create this position and to employ a man to fill it was reached at a joint meeting in Richmond of the executive committee and the committee on reorganization which was headed by W. Owen Wilson of Richmond, former president of the association.

James J. Izard, of Richmond, the present head of the association, and members of the executive committee, which is headed by Ben W. Sebrell, Jr., of Lawrenceville, were charged with the duty of selecting a full-time secretary. It was agreed that the man should be a Virginian, familiar with Virginia agents and their problems. Other members of the committee on reorganization besides Chairman Wilson who attended the meeting were L. T. Dobie, Norfolk; Roger Clarke, Fredericksburg; C. G. Price, Harrisonburg, and Fred R. Sheen, Bristol.

Assisting in establishment of local boards and increasing membership of the state association will be one of the duties of the full-time secretary. He will also compile data bearing on the insurance business and disseminate it among the membership.

There was some discussion of the NRA program. While all expressed themselves in full sympathy with the purposes of the President's recovery act it was agreed that the question of linking up with the program was not a matter for the association membership but for the local offices individually. Most of the local offices, according to the information in hand, had already come under the plan.

**Al Deviney**, Austin, Tex., local agent, is in the hospital convalescing from an appendicitis operation.

**C. F. Dieter**, manager of the G. C. Eichlitz Agency, San Antonio, who has been in a hospital recovering from an appendicitis operation, is again at his desk.

### Texas Officials Will Meet

**State Agents Association Regional Vice-Presidents and Other Officials Will Confer**

J. K. Boyce of Amarillo, president of the Texas Association of Insurance Agents, called a meeting of all regional vice-presidents to meet in Fort Worth Friday of this week. There are 12 of them. Meeting with the officials will be John H. Chiles, Jr., of Austin, vice-president, and Secretary D. G. Foreman.

At the morning session there will be discussion of problems now before the Texas agents and in the afternoon plans will be arranged for a general membership campaign to be held the month starting Sept. 15. Mr. Chiles has been appointed chairman of the general membership campaign.

A special conference committee has been named to take up all issues involving relationships between companies and agents. The appointees are Mabry Seay, Dallas; Lytle Gosling, San Antonio, and President Boyce.

### Clarify Tennessee Ruling

**Commissioner Tobin Makes a Supplemental Statement Regarding Placing of Business by Non-Residents**

Commissioner Tobin of Tennessee has clarified his ruling regarding the placing of insurance on Tennessee risks by brokers or agents resident outside the state. In his supplementary statement the commissioner says that an outsider can place business in Tennessee if sent to a Tennessee agent and the outsider can receive such commission as may be agreed upon. If, however, the outside agent places insurance on a Tennessee risk through a company's service department and sends it to a Tennessee agent for counter-signature, the outsider cannot legally take a commission. The resident agency law, he says, provides that the agent countersigning the policy must receive and retain from his company all the commis-

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## NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

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**\$ 300,000.00****Organized 1886**

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**\$ 100,000.00****Organized 1905**

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## MILWAUKEE MECHANICS' INSURANCE COMPANY

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## THE METROPOLITAN CASUALTY INSURANCE COMPANY

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# 1794 1933

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STATE OF PENNSYLVANIA**

PHILADELPHIA, PA.

Semi-Annual Statement, June 30, 1933

Reserve for Unearned Premiums.....	\$ 613,184.75
Reserve for Losses, etc.....	407,335.23
*Contingency Reserve.....	1,327,381.85
CASH CAPITAL.....	1,000,000.00
NET SURPLUS.....	1,657,069.10
 TOTAL ASSETS .....	 \$5,004,970.93
SURPLUS TO POLICYHOLDERS .....	\$2,657,069.10
On Market Value Basis	

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THE OLD "STATE OF PENN"**

\*Contingency Reserve represents difference between Insurance Dept. Values and actual Market Prices.

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sion. Under the amended ruling the out of state broker can send his order to a Tennessee broker who may or may not be an agent and get the commission, but he cannot receive it indirectly through the company in which the risk is written.

**Oklahomans Meet on Code**

OKLAHOMA CITY, Aug. 23.—Between 40 and 50 Oklahoma towns and cities were represented at a meeting of fire and casualty agents here, called to discuss a NRA code. Except for a few changes, principles embodied in the code presented by the North Carolina agents were approved and recommended for a national code by Oklahoma agents. It was voted to recommend that the 14 suggestions offered at the end of the North Carolina code be embodied without alterations.

**Discuss Bus Liability Status**

JACKSON, MISS., Aug. 23.—The Jackson local board at a meeting last week discussed the action of the Mississippi Railroad Commission requiring all buses to carry liability insurance and requiring this business to be placed with one local agency only. There have been numerous complaints that this business is carried in non-admitted companies. Commissioner Riley will not permit any licensed local agent to countersign a policy for a non-admitted company, which may force the railroad commission to use admitted companies or else to use policies countersigned out of the state. In the latter case, of course, the railroad commission or the bus owners would have no recourse on any company denying liability except through the courts of the state in which the company is domiciled.

**New Rules Introduced**

The new rules being introduced in the various middle western states have now been promulgated for Kentucky and Oklahoma. In both states wind-storm coverage now includes hail damage.

**Non-Board Agency in Line**

The Long & Hamilton agency, Louisville, which has been non-board, has filed application for membership in the

**Georgia Agency Leader  
Is Tennessee Speaker**



**SIDNEY O. SMITH**

Sidney O. Smith of Gainesville, Ga., a member of the executive committee of the National Association of Insurance Agents, is representing that body at the Tennessee agents' convention at Chattanooga this week. According to President C. L. Gandy of the National association, Mr. Smith is one of the finest specimens of masculine pulchritude in the organization. He is second only to Scott Nixon of Augusta, Ga., in the opinion of the National president.

Louisville Board, with C. C. Burkle the firm member applying. The agency is under supervision of the Liberty Fire.

**A. N. Hannah**, Clarksville, Ark., local agent, has become acting postmaster.

**Godechaux & Myers**, New Orleans, general agents for the American Central in Mississippi, say the American Central has not been planted with the Mississippi Insurance Corporation in Jackson, which has been appointed agent for the American Central to make endorsements only.

**PACIFIC COAST AND MOUNTAIN**

**Drop Bank Agency Affiliate**

**Van Schaack & Co. to Succeed Denver National Co.—N. C. Steel Opens His Own Agency There**

DENVER, Aug. 23.—Owing to provisions of the Glass-Stegall banking act, which discourage and in some cases prohibit affiliation of banks with other companies, dissolution of the Denver National Co., which has operated an insurance agency for years, is announced by the Denver National Bank.

H. C. Van Schaack, president of the Denver National Co., and associates have formed a new corporation, to be known as Van Schaack & Co., to continue the business of the Denver National Co., but will not be affiliated with the bank.

J. S. Bardwell has been appointed manager of the insurance department of Van Schaack & Co., succeeding N. C. Steel who has resigned to establish his own agency. Mr. Bardwell spent a year with the Southern Agency Company of Denver, and for a number of years has been special agent and treasurer of the Newcomb Cleveland casualty general agency.

Mr. Steel's agency will be located on the mezzanine floor of the American National Bank. He has been active in promoting the interests of the insurance

business in general, having served as president of the Denver Association of Insurance Agents in 1931-32. He operated his own agency from 1910 until 1917. He is the son of the late Ned Steel, pioneer insurance man of Leadville and Denver.

**Discrimination Is Prohibited**

**Deputy Commissioner Sorenson of Montana Outlines the Policy of the State Department**

Deputy Commissioner F. L. Sorenson of Montana in his talk before the Montana Association of Insurance Agents brought out some interesting points as to the authority of the state especially dealing with rates. He said that his department does not attempt to supervise rates. It has, however, he asserted, ample power to prevent cut throat competition between companies where there is discrimination or distinction between assureds. This is provided for in the code. He said it was this section which was the basis of those companies whose contracts on public buildings had been canceled by the assured, filing claim on a basis that seemed opposite to the general practice. He said that the department was not concerned with the interpretation which any company might place on its contract except that whatever inter-

pretation was used must be employed for the benefit of all assureds in the state.

If the pro rata cancellation rule is used in this instance, then the department would insist that all contracts canceled by any assured in the state must be figured on a pro rata basis.

#### Interesting Figures Given

He said that the recent change of insurance covering public buildings has caused an interesting set of figures to accumulate. They show, he declared, that insurance may become so technically involved that when an assured is of the opinion he is contracting for coverage at a rate below other quoted rates he may in the end spend more money than if he had not traded horses in middle of the stream. He gave the following as a comparison of cost to the state:

#### Comparison of Cost to State

Old Contracts:	
\$6,661,391 3-yrs. @ .796 =	\$53,024.67
2,692,294 8-mos. @ .796 =	4,762.37
	\$57,787.04
New Contracts:	
\$6,661,391 3-yrs. @ .600 =	\$39,968.35
74,455.33 40% Short Term	
Cancellation .....	29,782.13
Printing of Forms (not used)	39.00
Advertising .....	18.00
	\$69,807.48
New .....	\$69,807.48
Old .....	57,787.04
Difference .....	\$12,020.44
Surplus of companies under old contracts .....	\$274,924,532.46
Surplus of companies under new contracts .....	11,341,048.02
Received from companies:	
Premium tax received from companies under old contracts .....	117,000.00
Premium tax received from companies under new contracts .....	7,200.00
Commission under old contracts, approximately .....	20,000.00
Distributed among 480 agents and 139 towns. Commission under new contracts 1 agent and 1 town.	
Cost to taxpayers new contracts .....	12,020.44
In addition loss of \$2,692,294, additional protection which if original contracts were not disturbed would only be.....	4,647.85
(This does not include the thousands of dollars lost in time by all the people involved.)	

He declared that it is the duty of every agent to acquaint himself with the rating processes and the rules sufficiently so that when he is giving advice to an assured he should not be held responsible for one spending more money for insurance than he of right should be called upon to do.

#### Seattle Stays Second Class

Threatened Rate Advance Avoided  
Commissioner Sullivan Seeks to  
Avoid Rate War

SEATTLE, Aug. 23.—This city will remain a second class city for fire rates, Commissioner Sullivan announced after receipt of a telegram from W. E. Mallieu, general manager National Board. There had been predictions that fire rates would be increased because of curtailed fire department personnel. This was partially offset by improvements in water supply and other features. No further curtailments can safely be made in fire department and service, and the fireboat should be restored as soon as possible, Mr. Sullivan said.

Eight independent companies recently applied for permission to reduce rates 20 percent, which Mr. Sullivan refused to allow on the grounds that a disastrous rate war would ensue. Subsequently he stated that he was for lower fire rates insurance, but first of all for sound insurance. He indicated that he might reverse his rulings if the same companies filed applications again, but said he would require examinations which must prove the companies were in good position to operate at the lower rates.

Threats to carry the matter to the courts have been voiced. Organization

companies and agents are lining up behind the commissioner in his determination to prevent a rate war, while other strong forces, supported by the deviating companies, are attempting to force approval of their schedule.

#### Chapman Manages American Equitable on Pacific Coast

SAN FRANCISCO, Aug. 23.—After Sept. 1 the California business of the American Equitable will be under the supervision of R. R. Chapman, manager of Corroon & Reynolds Pacific Coast department. The head office of the Pacific National Fire has been general agent for the company. Announcement of the change was made Monday by Vice-President E. S. Inglis. The coast department now manages the Merchants & Manufacturers, Globe & Republic, Cosmopolitan Underwriters and Merchants & Manufacturers Underwriters.

Charles E. Gale of Los Angeles has been named California special agent for the Pacific Coast department of Corroon & Reynolds and Willis E. Pratt has been appointed special agent at San Francisco by Manager Chapman. Both men have long and broad experience in field and office.

#### Levit to Discuss Forms

SAN FRANCISCO, Aug. 23.—Bert Levit, well known insurance lawyer, will speak before the Insurance Buyers Association of San Francisco Aug. 25 and will answer a number of criticisms against the standard forms of fire insurance policies in use in the various states, voiced by A. G. Westcott, president of the buyers' organization, before the Fire Underwriters Association in February.

#### Bennett's California Talks

SAN FRANCISCO, Aug. 23.—W. H. Bennett, secretary the National Association of Insurance Agents, addressed a meeting of northern California local agents and company representatives in Oakland. The meeting was sponsored by the East Bay Association of Insurance Agents with President A. H. Ahlgren of Berkeley presiding. Approximately 250 attended the gathering. Mr. Bennett stressed the increasing necessity for cooperation, united action by local agents and the need for proper recognition of today's problems of the insurance business and their relation to other lines of activity.

Mr. Bennett addressed a meeting of Southern California agents and brokers at Los Angeles Friday. While he had not intended to visit Los Angeles on this trip, Mr. Bennett acceded to the strong appeals of President W. H. Menn of the state association and other leading agents of southern California.

#### Consider School Coverage

DENVER, Aug. 23.—The Denver school board Thursday heard arguments against discontinuing stock fire insurance on Denver school properties and replacing it by mutual policies. Herbert Fairall, president Colorado Association of Insurance Agents, who headed a delegation of prominent local and general agents, presented the plea. The value of buildings and equipment, exclusive of land, is \$19,074,666 and insurance carried is \$3,687,000. It had been contended that the school board could not legally buy mutual insurance, as it was interpreted this would lend the school district's credit in the transaction. Mr. Fairall said the matter must be passed on by the supreme court.

The Kraveez & Runyon Agency, Phillipsburg, N. J., has been incorporated by Harry Runyon, John Kraveez and Michael Kraveez, the F. B. Q. Agency, Newark, by M. L. Mink, Morris Feller, J. Mink and M. Feller, and Alexander & Hoffman, adjusters, Newark, by L. B. Alexander, W. H. Davis, W. R. Bellig and D. J. Carruthers.

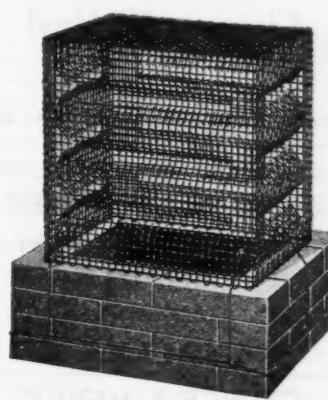
## ATTENTION ! agents in !

<b>ILLINOIS</b>	<b>MICHIGAN</b>
<b>INDIANA</b>	<b>NEBRASKA</b>
<b>IOWA</b>	<b>OKLAHOMA</b>
<b>KANSAS</b>	<b>TENNESSEE</b>
<b>MINNESOTA</b>	

YOUR assureds receive a credit in the rate on farm buildings if equipped with the patented National Spark Arresters. Pass this saving on to your clients and give them modern fire protection from damaging chimney sparks.

National Spark Arresters, approved by the Farm Underwriters Association, effectively prevent fires from chimney sparks. They cost but little and fit every size and style of chimney.

Here is an excellent way to save money for your company and your assureds and create good-will. Write for information regarding credit allowance, description and net price.



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## EASTERN STATES ACTIVITIES

### Must Comply with Contracts

**Eastern Inspection Bureau Advises That All Terms Must Be Carefully Lived Up To**

NEW YORK, Aug. 23.—Though few complaints have been received as to the alleged purpose of assureds to reduce the number of hours in which watchmen service will be maintained in plants, in order to comply with the limitation imposed under the national recovery act, a number of inquiries as to the effect such practice would have on policy contracts have reached different offices. As a precautionary measure the Eastern Inspection Bureau has notified boards throughout its jurisdiction that policy conditions with respect to watchmen service as well as all other features of the contract must be complied with, and no deviation will be permitted, under any pretext. Inspectors are cautioned to be on the alert to detect any infraction in such direction. The mutuals, which are interested as well as stock offices in maintaining constant watch service in properties they insure, are reputed to be considering favoring the installation of electrical alarms, as supplemental to watchmen, though no decision thereupon has yet been reached. In the minds of underwriters the number of properties likely to dispense with even partial watchmen service will be exceedingly limited.

### New Jersey Business Better

**Many Companies Show Advance in Premiums and Reduction in Losses This Year**

NEWARK, Aug. 23.—Encouraging reports are heard from sections of New Jersey in the fire, casualty and surety field for the past month. Agents, brokers and branch offices report a surprising upward trend in all branches, and volume and premiums rapidly increasing in comparison with the same period of last year.

One reason advanced, particularly in the fire field, is that many merchants and manufacturers have put in large stocks of merchandise. In the casualty line, more automobiles are now being taken out of garages and many owners who dropped their insurance are seeking to replace it. The surety line, while not improving as rapidly as the other two branches, reports an increase. Underwriters are writing surety very carefully.

Many companies operating in New Jersey have shown an advance in premiums and a reduction in loss ratio. Altogether the state is one of the first in the east which has shown encouraging prospects. At the ratio of the past month or so, companies will show a material gain in New Jersey for the last half of the year.

### Second Mortgage Ruled Out

**Massachusetts Department Counsel Holds Companies Not Liable in Complicated Case**

BOSTON, Aug. 23.—H. J. Taylor, counsel of the Massachusetts department, this week passed on a complicated case in which incendiary, joint ownership and first and second mortgages are involved.

Four companies issued four fire policies in the Massachusetts standard form insuring "John and Mary Jones," husband and wife, covering a building owned by them as tenants in common, the policies payable to a bank as first mortgagee, a second mortgagee not be-

ing named as payee. The husband was imprisoned for setting the building on fire and the companies, acting under the mortgagee clause in the policies, paid the first mortgagee the amount of the mortgage and took an assignment.

The second mortgagee contended the companies had no right to take an assignment of the mortgage as against the wife; that she was entitled to receive the amount of the loss, less the sum paid the first mortgagee, and that if the companies had a right to take assignment of the mortgage, they should discharge it and are not entitled to hold the mortgage as against the wife or itself, since neither she nor it was involved in the husband's incendiaryism.

Mr. Taylor finds that under the general principles of joint contracts the policies were void as to all if void as to one, the husband and wife being insured jointly and not severally. The policy being void as to one owner, in this case was void as to all. He also finds that the second mortgagee, not being named as a payee under the policies, has no claim against the insurers and that the insurers are not liable to the second mortgagee or required to discharge the first mortgage.

### Boston Half-Year Premiums Show 7.3 Per Cent Decrease

BOSTON, Aug. 23.—Premiums received by Boston agencies on fire and sprinkler leakage the first six months of 1933, as reported to the Boston Protective Department, show a decrease of \$235,171, or 7.3 per cent below 1932. The total was \$2,987,665, compared with \$3,222,836 last year. Of this amount the stock companies took in \$2,793,454 and the mutuals \$194,211.

The ten companies standing at the head of the list were: Home, New York, \$92,336; Royal, \$73,422; Pennsylvania, \$60,707; North America, \$57,613; Dubuque Fire & Marine, \$57,185; Boston, \$56,278; Hartford, \$56,093; North British & Mercantile, \$54,996; Aetna, \$54,159; Continental, \$51,174.

### New Law in New Hampshire on Reinsurance Is Studied

Concern is being exhibited by companies over the new law in New Hampshire, which was passed at the instance of Commissioner Sullivan, requiring companies that reinsure New Hampshire business to file with New Hampshire powers of attorney permitting them to be sued directly by New Hampshire assurers.

Such procedure implies a relationship between the assured and the reinsurance company which does not, in fact, exist. The reinsurance contract concerns only the reinsurance companies and the reassured companies. The assured has no recourse against the reinsurer. In the event of insolvency of a direct writing company, the reinsurer pays its obligations to the receiver of the direct company and those funds are commingled with the general funds of the failed company and are not earmarked for the accounts of specific assureds.

The National Board has been queried by companies about the New Hampshire law and the question is being investigated.

### Eastern News Notes

The **Luzo Insurance Agency**, New Bedford, Mass., has been chartered with John Rezendes, president, and Joseph Correia, treasurer.

The **E. J. Mater** and **T. F. Bryce** agencies in Newark have combined through a working agreement. Each organization will retain its identity. Mr. Mater will move his offices to the building occupied by the Bryce agency at 988 Broad street.

## New President



C. L. HEABERLIN

C. L. Heaberlin, vice-president of the Home Insurance Agency at Beckley, W. Va., the new president of the West Virginia Association of Insurance Agents, is one of the leading local men in his state.

### World Fair Causes Greater Use of Lake Pleasure Craft

Marine insurance people observe that the use of pleasure craft on the Great Lakes this year has been intensified because of the world fair at Chicago and that the number of layups of this type of craft is not nearly as great as in the past two or three years. Chicago people who own pleasure craft are keeping them in use this summer for the entertainment of their visiting friends and owners from other ports are sailing to Chicago and operating in and about that city extensively.

Until this year, pleasure boat activity on the Great Lakes had declined during the depression to a low ebb, many owners being forced to lay up their craft as an economy measure. This season, however, either the owners are feeling more prosperous or they are economizing in other directions in order to enjoy the pleasures on the lake incident to world fair activity.

### \$15,000,000 Insurance to Be Placed on Delaware Bridge

PHILADELPHIA, Aug. 23.—Insurance for \$15,000,000 to \$20,000,000 is expected to be taken out within the next month by the Delaware River Bridge Joint Commission. It will cover the Delaware river bridge, the largest suspension span in the world, which connects Pennsylvania and New Jersey between Philadelphia and Camden, against injury due to high water, earthquake and damage of a similar nature. The premium is estimated at \$30,000 a year. The policy will not cover the entire bridge, which cost \$37,000,000, but only that portion between the two river piers, constituting the main span of 1,750 feet.

The commission had asked the government for an outright grant of \$2,464,650 and a loan of \$7,533,350 under the public works program to build a speed line across the bridge to connect Camden with the Philadelphia subway system. The government advised the commission that before any loans were granted under the public works program adequate insurance must be provided. It is believed the insurance requirement will prevail on all loans made under the \$3,300,000,000 public works program.

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## Ohio Agents Hold Forth at Marion

(CONTINUED FROM PAGE 3)

Secretary Meek said that the members in good standing are now 552.

An appropriate message to his audience was brought by Clyde B. Smith of Lansing, Mich., who emphasized the community of interest among agents in the smaller communities and large cities. The two classes of agents need each other more than they realize, said Mr. Smith, who is past president of the National Association of Insurance Agents.

Mr. Smith undertook to dispel the notion of the small town agent that operators in accepted cities are getting the cream of the crop. He pointed out that the agency with high commissions has so much brokerage business that its worth is difficult to determine. Agents in accepted cities are faced with the problem of the man who secures a license simply with the idea of paying some solicitor an excessive commission, which is more than the agent in ordinary territory receives. Furthermore, the rebating evil is intensified.

### Uniform Scale Impossible

Mr. Smith repeated a statement he made at the hearing on acquisition costs conducted by the National Convention of Insurance Commissioners in Chicago. At that time he said that conditions have grown up and crystallized in cities which are impossible to revamp, and if a uniform scale of commissions were to be adopted countrywide, it would amount to confiscation in many instances.

Mr. Smith took this occasion to endorse the idea of contingent commissions. This was a pet theme of Mr. Smith when he was president of the association. He said it is almost impossible to increase rates and therefore the only method left to bring about a profit is to reduce losses. If by closer underwriting, the agent brings about lower losses with a consequent reduction in rate, he should be compensated by a portion of the underwriting profit. He suggested that a state with a high loss ratio be used for the contingent commission experiment.

The smaller agents need the association of those in the larger cities for the information they can get from those whose broader experience has taught them what is best for the buyers of insurance and how better to meet mutual and reciprocal competition, Mr. Smith said. The smaller agents also need the prestige of the larger producers in their dealings with the companies. The big city agencies need the small town agents for their legislative influence, if for nothing else.

The companies need both classes of agents because no company can live on the big premiums alone.

### Projected Set-up Is Given

Proposal to incorporate the Ohio association and revise the constitution and by-laws is one of the important items of business at Marion. Under the projected set up the state would be divided into nine districts, each to have a representative on the executive committee so as to spread responsibility throughout the state and create rivalry in membership activity.

Spirited discussion is anticipated at the executive session Thursday. The excepted city issue is likely to be debated and attention is scheduled to be given to the action brought in Ohio by the Federal Union to test the resident agency law in the matter of a license for a Johnson & Higgins representative.

A group of Ohio agents held a conference recently in Columbus on the subject with H. T. Cartlidge of the Liverpool & London & Globe, of which fleet the Federal Union is a member.

## Several Insurance Codes in Making

(CONTINUED FROM PAGE 1)

stantial figures. Insurance companies all employ a number of persons that cannot well be held to definite hours, field men, inspectors, adjusters and the like, and it was workers of this type whom they desired to have exempted from the hour limitations of the code. Again, accountancy staffs are frequently called upon to work overtime in the preparation of statements and in supplying special data required by different insurance departments.

The marine men found little in the National Board code draft that they could not comply with, and will likely adopt it practically in its entirety. Casualty executives were in session on the subject Monday, and it will likely be some days yet before their agreement is worked out. Life companies appear to be acting independently, several having already signed the general employment code, while others have signed their purpose of so doing shortly. When codes are approved by the NRA administration their terms will be made public in Washington.

### Consult With Washington

Following the meeting Monday of this week, the revised draft is being taken back to Washington so that the organization officials can again confer with the NRA administration. The casualty and fire companies comply with the general code of hours, 40 hours a week, but so-called outside workers are exempted. The government required that these workers be specifically named as to class. They include special agents, solicitors, raters, adjusters, auditors, investigators and the like. Another point that was of great importance to both fire and casualty companies was the matter of extra time in case of emergency. The authorities have agreed to this in case of the preparation of annual statements or when loss departments are crowded. However, no employee is allowed to work more than eight weeks a year on overtime.

There was considerable controversy over minor employees. For instance, many companies have apprentices. There is created a messenger class to whom may be paid 75 percent of the minimum salary. Then when inexperienced help is taken on they can receive 75 percent of the minimum for six months. There is a limitation, however, to the number that can be so classified.

Although the likelihood is that the National Association of Insurance Agents will submit a code, there is some difference of opinion among the leaders as to what this agreement should embrace. Some of the outstanding men in the agency ranks strongly favor going beyond the wage and hour provisions and including some conditions governing competition. However, other leaders feel that the agents' code should follow closely that submitted by the companies, departing only on those points which would make the requirements more adaptable to agency operation.

## Agents Ask Restoration of Peoria Diocese Business

(CONTINUED FROM PAGE 1)

service bureau for the benefit of all of its agents and not for any one. Each should receive commission on business in his own city, he contends.

Mr. Wittick states that if such a practice is instituted there can be no peace. Agents will initiate schemes to combat it, which may prove harmful. He contends that the company should insist that resident agents receive full commissions on premiums from insur-

## Warner of Charleston Has First Claim Prize

William Warner, Charleston, W. Va., takes first prize for novel claim this week. The wife of one of his assureds, who had a household furniture policy, took out her store teeth and laid them on the dresser, wrapped in tissue paper. Her daughter, cleaning up the room, threw the paper with the teeth in the kitchen coal range. They later found the melted gold of the false teeth setting. They have made claim under the fire policy covering household furniture.

ance covering property in their territory.

The proper way to furnish property estimates, he states, is by a central organization like the rating bureau.

### Law Company Loses Charter

NEWARK, Aug. 23.—The Reinsurance Company of New Jersey, with headquarters in the Globe Indemnity building, Newark, organized last year by Harrison Law, who was acting secretary, has lost its charter through not complying with the regulations of the New Jersey department. The capital was to have been \$250,000 and it was to have engaged in a general reinsurance business. It has been stated, however, that the organization will be revived within the next few months.

### R. H. Leckey With Hartford Fire

R. H. Leckey has been appointed assistant manager of the Hartford, for Canada. He started with the head office of the Western Assurance of Toronto and later was chief inspector of the rating department of the Canadian Fire Underwriters Association. On his return from the war he became associated with a Toronto insurance brokerage firm. Then he was associated for 12 years as special agent of the Aetna in eastern Canada, a position he now resigns. He is past most loyal gander of the Ontario Blue Goose.

### Pennsylvania Not to Act

It is stated that the Pennsylvania department does not intend to take immediate action at least on the resolution adopted by the National Convention of Insurance Commissioners asking that agents and brokers delinquent over three months be reported as of Oct. 1. It is stated that the Pennsylvania commissioner feels that the subject is one between companies and agents and should not be taken up by state departments.

### Jesse H. Woodworth Dead

Jesse H. Woodworth, secretary of the Woodworth-Hawley Co., Buffalo, a brother of the late C. H. Woodworth, long a leading figure in the councils of the National Association of Insurance Agents, died Aug. 20, at age 77.

### Miscellaneous Notes

**Lake States Underwriters**, Cleveland, has been incorporated by O. W. Schroeder, P. G. Phypers and Marian L. Phypers.

J. H. Schouten, C. S. Johnson and L. G. Withey have associated themselves in the Schouten-Johnson-Withey Insurance Company with offices in the Houseman building, Grand Rapids, Mich. W. F. Kirkhof will operate as the General Insurance Agency at 2 Fountain street, NW.

Protect your business by using the Time Saver—\$90 pages of rates, accident coverage, illness coverage, non-cancellable contracts, standard revisions, etc., of 100 leading companies. Price \$4. The National Underwriter.

# REINSURANCE

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EMPLOYERS  
REINSURANCE  
CORPORATION

E. G. TRIMBLE, President

# The National Underwriter

August 24, 1933

## CASUALTY AND SURETY SECTION

Page Nineteen

### Consider Arrests Most Important

American Surety Interested in Uncovering Information at San Antonio

### BANK PRESIDENT IN NET

Theft of \$500,000 Liberty Bonds Seems to Point to Work of "Boston Mob"

NEW YORK, Aug. 23.—Officials of the American Surety express the opinion that the recent arrests in San Antonio, Tex., of Z. D. Bonner, president of the Commercial National Bank of that city, and J. H. Cunningham, a prominent attorney there, charged with receiving and concealing stolen property, are of major importance in their hunt for the men concerned in the \$500,000 bond robbery Nov. 29, 1932, from the New York offices of the Continental Bank & Trust company. This robbery, involving the largest amount recorded in the annals of the New York police department since the famous Lord robbery in the '60s, which resulted in a loss of \$1,200,000 in negotiable Government bonds, was a distinct jar to the New York police, who had fondly believed that the system of guards protecting the Wall street district made such a crime impossible. American Surety officials with a \$500,000 blanket bond coverage on the bank were no less concerned. Employees of the bank stated that two well dressed men had been noted loitering on the premises prior to the discovery of the robbery and traces of chewing gum on the glass shelf of the teller's window, through which the bonds were stolen, indicated that they were "fished" out with a gum tipped cane or umbrella.

#### Work of the "Boston Mob"

Vice-president B. J. McGinn, in charge of claims for the American Surety, at once admitted that his company had a \$500,000 loss to pay, which was reinsured down to a net retention of \$60,000. The Texas arrests, however, now make it possible to tell some of the facts for the first time. Certain earmarks of the theft led to the firm belief that it was the work of a gang known to surety officials and the police as the "Boston mob." This is regarded as one of the most dangerous bank theft gangs in the country. The identity of some of its members is well known and these men are "wanted" by the police in this city, Philadelphia, Chicago, Baltimore and other large centers. They have been successful in eluding arrest, however, and their operations have been both bold and frequent, according to surety company investigators. A robbery in Philadelphia only a few days before the Continental Bank theft is also laid at their door.

The stolen bonds, five in number,

### Mercantile Burglary Risks Scanned for Watch Service

#### PRODUCT OF NRA PROGRAM

Underwriters Fear Some Concerns Will Pare Costs by Skimping on Night Protection

NEW YORK, Aug. 23.—Casualty companies have been cautioned to scan closely applications for burglary insurance coming from mercantile houses that heretofore have been without such protection, but contemplate taking it in preference to putting on one or two additional watchmen as they would be forced to do, in a number of cases, in order to comply with the 44 hours employment limit fixed under the NRA.

A warranty in the mercantile burglary policy stipulates that a watchman shall be constantly on guard in the premises when these are closed for business, while the warranty in the bank contract provides that a guard be maintained constantly between 7 p. m. and 7 a. m.

It is not anticipated there will be any considerable number of banks that will risk violating the spirit of the recovery act, or run the risk of breaching the warranty clause in their policy agreement by dismissing present watchmen or failing to employ additional help where this is found to be essential.

There doubtless will be a few owners of mercantile establishments who will seek to save a little money by dodging corners, and it is concerns of this class against which underwriters must be on their guard.

were \$100,000 Liberty bonds and easily negotiable except for their large amount. All banks and similar institutions over the country received warning notice giving numbers but the search, beginning with a New York "fence" well known to the police and surety officials, was unsuccessful until a keen witted woman clerk in the Treasury department at Washington noted the numbers on some bonds sent in for conversion by the San Antonio bank to be those of the bonds reported stolen. It is believed however this was not detected before the exchange bonds for smaller amounts had been received in San Antonio. Vice-president McGinn of the American Surety visited Washington and gained the information necessary for a Texas investigation. The net was gradually drawn in there but the activities of the Texas Rangers and the San Antonio district attorney's office leaked out and there were some heavy withdrawals from the Commercial National Bank. The directors, alarmed by the impending scandal, asked Chief Inspector Collier of the federal reserve district in Texas to recommend the appointment of a conservator and accepted the resignation of President Bonner. Ernest A. Baetz was appointed conservator and shortly after the arrest of Bonner and Attorney Cunningham followed. The bank is reported to have \$300,000 capital and \$52,000 surplus, which makes the heavy purchase of \$500,000 of "hot" Liberty bonds, "at a slight discount," according to an official of the bank, a somewhat significant

### Program for International Claim Session Announced

#### TO MEET AT ATLANTIC CITY

Taylor, Cavanaugh, Clark, Rossiter and Smith Among Speakers Listed

The International Claim Association announces the program for its annual meeting, to be held at the Traymore Hotel, Atlantic City, Sept. 11-13.

The program this year is constructed around the theme: "Some of the Causes of Troublesome Claims." T. F. Hickey, Metropolitan Life, president of the association, says the discussion pertaining to the theme adopted is expected to lead to valuable suggestions as to ways and means of eliminating some of the causes of troublesome claims.

Governor Moore of New Jersey will be present and address the association. Mayor Bacharach of Atlantic City will deliver a welcoming address.

#### Speakers Are Listed

Addresses so far arranged for include: "Elimination of Some Legal Difficulties from Troublesome Claims." J. C. Smith, of Smith, Wharton & Hughes, Greensboro, N. C.

"Troublesome Claims from Carbon Monoxide." Dr. F. S. Rossiter, chief surgeon, Carnegie Steel Co., Pittsburgh.

"Seeing the Other Side," C. G. Taylor, Jr., third vice-president Metropolitan Life.

"Fraudulent Claims and Their Costs." W. P. Cavanaugh, manager claim department, National Bureau of Casualty & Surety Underwriters.

"Some Causes of Complaints to Insurance Department." R. M. Clark, deputy superintendent New York department.

Various forms of entertainment are being arranged. Golf will be provided on two courses. A golf tournament will be held at the Seaview Golf Club, Absecon, N. J., where tennis courts will also be at the disposal of members.

transaction. It is stated that these bonds, after conversion at Washington, were placed in a lock box to secure county deposits but were afterwards withdrawn from that account and other securities substituted.

#### Salvage Is Complicated

The question of salvage, according to surety officials, is somewhat complicated. The conversion of the bonds makes it impossible to replevin those substituted. A civil suit against the bank, whose resources are said to be less than the amount involved in the claim, may perhaps be filed. A Baltimore surety company is understood to have a blanket coverage bond on employees of the bank covering their dishonest acts but this is said to be also insufficient to cover the claim. The American Surety has a net line of \$60,000, and \$32,000 is reinsured with the New York Casualty, the Canadian Surety and a Mexican company belonging to the American Surety and all members of its group. The remaining \$408,000 reinsured is distributed among other companies.

### Announce White Sulphur Program

Superintendent Van Schaick, Commissioner Brown, Massachusetts, to Speak

#### OUTSIDERS WILL APPEAR

A. A. Ballantine and R. B. Lund to Address Casualty Conventions

Sept. 26-28

The program for the joint annual meeting of the International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Agents, which has just been announced, includes outstanding speakers from within and outside insurance ranks. The convention will be held at White Sulphur Springs, W. Va., Sept. 26-28.

Superintendent Van Schaick of New York and Commissioner Brown of Massachusetts, who is chairman of the executive committee of the National Convention of Insurance Commissioners, are on the program. Mr. Van Schaick has appeared at previous White Sulphur conventions and his remarks on those occasions have been significant.

From outside the business the speakers will be: A. A. Ballantine, former assistant secretary of the treasury, and a present member of a prominent law firm of New York City, and R. B. Lund, president of the National Association of Manufacturers of the U. S. A.

The joint session of the two bodies will be presided over by President J. Arthur Nelson of the New Amsterdam Casualty, who is president of the international association, while T. E. Banniff as president of the agent's association will direct the deliberations of that body.

A special rate of one and one-third the customary charge, has been made by the railroads for the round trip, the concession being extended both to members of the associations and their families.

### Plate Glass Rate Increase in Chicago Is Rescinded

The new plate glass rates for Chicago, which involve sharply increased tariff for certain classifications, have been rescinded by the National Bureau of Casualty & Surety Underwriters. The old rates now prevail. There was considerable protest from Chicago in connection with the increase and some companies did not proceed to charge the higher tariff after it was promulgated. Some of those companies which did proceed to charge the higher rate, sent out their September renewals on that basis and now they will have to send out new advices.

## Effects of Code on Contract Work

Interest in Restrictions as to Hours and Price Fluctuations

### CONFUSION AS TO FUTURE

Surety Companies Are Studying Carefully All Bids and Provisions of Deal

NEW YORK, Aug. 23.—There has been much talk among casualty and surety men as to the possible effect of the NRA code campaign if carried to a fairly successful conclusion in getting a number of employees added to the payrolls in general industry.

Perhaps the first effect of the agitation regarding regulation of working hours and minimum salaries is seen in contract bonds running to the federal government. Almost all contract work now comes under that category. Counties, municipalities and other governmental jurisdictions are not letting any contracts now unless there is something that is regarded as essential. Even in state work where road building is done it is usually in cooperation with the federal government and where Washington is supplying any of the sinews of war it will impress its working provisions on contractors.

#### Uncertain as to Bids

The contractors are more or less bewildered at the present time because they do not know how to make bids safely. If the provisions of the code are religiously enforced it will mean that contractors will have to employ more people and prices of materials will likely be increased, especially if there is official currency inflation. Therefore, these contracts now coming up are the subject of considerable debate, not only among the contractors but the surety companies, because a contractor may make a bid today that would be insufficient a month from now. Surety underwriters therefore are groping somewhat in the dark, owing to the uncertainty of conditions. Furthermore, if a contractor has to put on inexperienced people, their work may drag and not be done in a satisfactory way. Under the new order a contractor must do 80 percent of all his jobs himself. Heretofore he has been able to take on work, sublet a good part to subcontractors and make a marginal profit.

#### Accidents May Be More Frequent

As soon as the situation clears and contractors know how to bid, the uncertainty will be terminated. Just now however there is considerable confusion in the minds of all.

If many more people are put to work in the industries there may be greater accident frequency and severity until employees get adjusted to their new work. This will be especially true if they have had little or no experience in the work to which they are assigned. Even if they have been out of work only for some months, they have become rusty, so to speak, and will have to have their wits sharpened. The taking on of more employees, however, adds to the payroll and that means greater premium volume.

#### Effect of Relief Labor

Contractors say that they are confronted with a rather embarrassing situation in some states and localities where being awarded contracts they are

## Give Frank Bach Executive Work in Fidelity & Deposit

### SIDNEY HOYT IS SUCCESSOR

Herbert Dunn Has Been Elected First Vice-President of the American Bonding

BALTIMORE, Aug. 23.—Recognizing that present day conditions are such as to require great care and judgment in the selection and underwriting of business, the executive committee of the Fidelity & Deposit decided to relieve Second Vice-president Frank A. Bach, who in addition to his duties as supervising underwriter, has continued as active head of the contract department, from his direct personal responsibility for that department in order that he might devote his entire time to the major underwriting problems.

In order to give Mr. Bach this necessary relief, Sidney M. Hoyt, for the last several years supervising engineer and production expert of the contract department, has been elected an additional vice-president of both the F. & D. and the American Bonding and placed in charge of the contract departments of both companies. This will free Mr. Bach from a great many of the inevitable details which he has had to assume as the active head of the contract department and thus will permit him to devote more time to the broader questions of underwriting confronting both companies.

#### Dunn Is Advanced

H. D. Dunn, assistant secretary of the American Bonding, has been elected first vice-president of that company. He has served for several years as assistant manager of the production department of the Fidelity & Deposit. In his new capacity he will devote his entire time to the production activities of the American Bonding.

E. R. Nuttle continues as vice-president and manager of the production department of the Fidelity & Deposit, and J. G. Yost as associate manager.

D. Claude Handy remains as president of the American Bonding and as executive vice-president of the Fidelity & Deposit in charge of production for both companies.

B. H. Mercer, assistant secretary and manager of the judicial department of the Fidelity & Deposit and American Bonding, is elected an additional vice-president of both organizations.

obliged to take on a certain percentage of employees that are seeking help through relief agencies. Usually the rule is that these men are to work only ten days and then a new shift is put on, thus giving as many as possible a chance to work. The contractors say that thus being allotted inexperienced workmen they are not able to make the progress they otherwise would and the claim ratio has risen. Some contractors that have had a satisfactory claim experience in the past are now in the unprofitable class because of these relief people getting injured due to their lack of training.

### Depositing Mortgage Bonds

BALTIMORE, Aug. 23.—Deposits of bonds under the plans offered some weeks ago by the mortgage companies whose bonds are secured by mortgages guaranteed by the Maryland Casualty and United States Fidelity & Guaranty have shown a rapid increase, bankers administering the plans report.

The First National Bank is depositary for the bonds of the United States Fidelity & Guaranty group, and the Maryland Trust Company for the Maryland casualty group.

## Lloyds, New York, Objects to Misleading Use of Name

### COTTON GINS CIRCULARIZED

See Attempt to Link the Collapse of Lloyds Insurance Co. of America

In the issue of Aug. 10 in a headline referring to the collapse of the Lloyds Insurance Co. of America, the abbreviation "Lloyds, New York," was used. This is the title of a perfectly solvent Lloyds organization of New York City of which Cornwall & Stevens are attorneys. Of course there is no connection between the two organizations.

Notwithstanding the fact that Lloyds, New York, is perfectly solvent it seems owing to a similarity of titles an effort to mislead assureds to its detriment has been made by a small Texas mutual.

#### Misleading Statement Made

In its great desire for cotton seed and allied lines this mutual has circularized cotton gins throughout the southwest, soliciting business and adding as a postscript to the appeal: "Warning—Lloyds, New York, has been ordered to liquidate." By so doing it is conveying the impression that the perfectly solvent Lloyds, New York, is identical with the collapsed casualty organization. Lloyds, New York, has not nor has ever had any association with the Lloyds Insurance Company of America.

Organized in 1892, Lloyds, New York, came under its present control in 1914 and has been very competently managed ever since. Its statement of June 30, 1933, filed with the New York department, with its securities figured at current market value, shows total assets of \$699,803, with a policyholders' surplus of \$447,566. Its cash in banks, \$223,417, exceeds by more than \$40,000 its entire outstanding liabilities, indicating the highly liquid character of its assets.

## C. M. Kinney Is Resigning

Resident Vice-President for American Automobile in Chicago Will Open His Own Agency

C. M. Kinney this week is announcing his resignation as resident vice-president in Chicago for the American Automobile to open an agency of his own for all forms of insurance, but specializing in automobile. He will represent the American Automobile, among other companies, in his agency. A successor to Mr. Kinney will be announced soon by the American Automobile.

Mr. Kinney went to Chicago as manager for the American Automobile in 1920 and in 1925 was appointed resident vice-president. His early experience was with the Travelers, attending that company's school and starting as a special agent in 1908. He was located at Hartford, Buffalo, in Indiana as manager and in Colorado as manager for Colorado and Utah.

Mr. Kinney is regarded as a real authority on automobile insurance in Chicago and has a wide acquaintance in the business. He is well known as an amateur photographer.

### Glens Falls Indemnity Figures

The Glens Falls Indemnity in its semi-annual statement shows assets \$8,354,107, of which \$3,423,626 are bonds, \$1,560,012 stocks, \$1,147,235 mortgage loans, \$1,577,837 premiums in course of collection, \$304,628 cash. Its premium reserve is \$2,876,141, loss reserve \$2,665,851, capital \$1,000,000 and net surplus \$1,348,464. The company states that if all securities were placed on a market value basis it would reduce the surplus but \$212,715, making the policyholders' surplus \$2,135,749.

## Deposit Guaranty Plan Is Starting

President Roosevelt Inaugurating National Protective Fund Next Week

### TO COVER UP TO \$2,500

Will Impose Unusually Strict Requirements for Admission of State Banks—Start Jan. 1

The federal government's huge bank deposit guaranty insurance corporation will take concrete form by next week, according to advices from Washington. President Roosevelt is reported as preparing to set up the machinery. The corporation will start Jan. 1 guaranteeing all deposits up to \$2,500.

Larger accounts will be protected only up to \$2,500. The smaller accounts coming within the limits of the project represent 96 percent of all bank accounts, according to statement by J. F. T. O'Connor, Controller of the Currency, who will be a director ex-officio of the guaranty corporation.

In national banks, it is estimated, deposits totaling \$1,265,000,000 will be guaranteed.

#### Work to Start Immediately

Initial work will be started immediately, Mr. O'Connor said. There remains only appointment of two directors. Mr. O'Connor has prepared complete plans and suggestions on problems involved in the project. There remain yet to be worked out, however, requirements for state banks to secure approval of solvency and to be admitted to membership in the guaranty fund.

According to Walter J. Cummings of Chicago, executive assistant to the Secretary of the Treasury, who has been working with Mr. O'Connor, the power of the guaranty corporation will be wielded in cutting out deadwood in the banking business. Requirements for qualifying will be unusually strict and no unsafe banks will be approved.

Open banks which are members of the federal reserve system automatically become members of the plan. State banks not in the federal reserve system must be certified by the state banking departments and by the board of the guarantee fund corporation to obtain admission.

#### Great Task Is Involved

The task before the corporation is a huge one. Examination of the thousands of state banks which undoubtedly will seek to enter under the protective plan is the major task, for which Mr. O'Connor has drafted plans to be submitted to the board for approval. A list of more than 1,000 examiners has been compiled. Mr. O'Connor plans to permit state banks to submit their own certified statements as to financial condition, made out on standard forms.

Examiners of the corporation then will check the statements. It is expected this will eliminate much work and speed the task. Mr. O'Connor also plans to decentralize examinations. A chief examiner will be appointed for each state, to operate from each state capitol in cooperation with state officials.

### State Fund for School Buses

COLUMBUS, O., Aug. 23.—Among the bills introduced at the special session of the Ohio legislature this week was one which would eliminate liability insurance on transportation of pupils by creating a state fund. It was asserted that the average cost is \$1.30 per pupil and that there is a grand total of \$283,000 a year. Claims, it is said, run only \$20,000 a year.

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## Casualty Business Is Now in State of Flux and Flow

### GREAT SHIFTING OF RISKS

Agents Also Are Making Inquiries for New Representation, but Many Want Special Deal

NEW YORK, Aug. 23.—Casualty companies are on the alert today to avoid being loaded with business which is cut loose by competitors. From the number of applications that are being received by many companies, the un-critical might feel that the insurance business had turned the corner and new business is coming in. However, much of what appears to be new business, represents merely a shift from one company to another.

Companies are continuing to cancel or refuse to renew individual risks which have proved undesirable, and have tabooed certain classifications, automatically throwing out all risks in a certain category, whether the individual's experience has been profitable or not. Brokers and agents thereupon are forced to shop for a new home for their orphans. This is often a difficult task. Sometimes, for instance, in a fidelity or surety risk, a company may be induced to accept the business, but the job of getting reinsurance or coinsurance is difficult and the agent or broker sometimes attempts to persuade other companies to reinsure the originating company in order to complete the coverage.

#### Compensation Risks

There are more orphan compensation risks being shopped around than any other. In addition to cutting out individual risks because of bad experience and refusing to accept risks in certain classifications, companies are compelling agencies to keep their compensation business within a certain percentage of the total business from that agency. In prosperous times, when compensation was accepted liberally, compensation comprised as much as 60 percent the business of some agencies. Now most companies are attempting to get the percentage down to 20 or 25 percent. For old and responsible agencies, companies will make allowances and permit a higher percentage of compensation or if the percentage is too high, but the percentage is declining from month to month or year to year, the company will allow the agency to work its compensation business down gradually.

Not only is there a great shifting of risks, but most companies are getting more inquiries from agents as to representation. These inquiries are also being subjected to great scrutiny. Many of the applicants have gotten behind with their companies. There is a tendency, although not as pronounced as might be believed, for agents of companies whose condition has been questioned to seek representation among stronger companies. Most of these agents, however, in making inquiries of stronger companies, indicate they want the same kind of commission and rate deal that they had with the companies which they are thinking of abandoning. The companies through which the inquiries are made are frequently tempted because of the volume which the agent claims to control.

The retirement of certain companies representing high pressure aggregations naturally modified the views of their agents who had to run to cover. Some executives, when approached by agents who want the same liberal deal to which they have been accustomed, make the argument that the company which the agent proposes to leave is in difficulty because it departed from tested underwriting practices and that if his desire should be acceded to, stronger companies would soon be affected in the same way. For the most part agents,

## Casualty Figures for June 30!

### As Reported to the Georgia Insurance Department

	Capital	Assets	Surplus	Income	Disburse.	Six Months'	Six Months'
Aetna Casualty.....	\$ 3,000,000	\$33,007,283	\$ 8,524,862	\$ 8,812,777	\$ 1,095,315		
American Surety.....	7,500,000	25,822,963	2,006,164	5,874,901	5,127,118		
Employers Reinsurance.....	1,500,000	8,798,057	1,365,111	2,509,471	2,737,691		
General Accident.....	550,000	25,806,555	3,931,660	8,337,322	7,306,419		
Hardware Mut. Cas.....	5,518,921	866,153	2,988,124	2,333,846			
Hartford Accident.....	3,000,000	46,833,147	5,611,272	16,274,947	13,685,018		
Hartford Steam Boiler.....	3,000,000	16,100,167	6,404,295	2,309,014	2,467,854		
Inter Ocean Cas.....	100,000	498,461	63,912	499,354	543,399		
Maryland Casualty.....	1,000,000	33,848,646	*	13,913,473	13,320,448		
Massachusetts Protect.....	1,000,000	7,845,861	1,022,648	3,285,090	3,729,256		
Mercer Casualty.....	250,000	1,013,829	204,753	245,900	321,502		
Mutual Benefit Health.....		2,703,315	316,201	3,335,980	3,404,324		
National Surety.....	1,000,000	11,075,148	3,000,000	1,545,877	1,565,994		
New York Casualty.....	1,000,000	5,043,020	300,379	1,643,920	1,518,032		
Ohio Casualty.....	600,000	3,306,507	322,979	1,681,688	1,656,345		
Preferred Accident.....	875,000	7,132,182	1,089,907	2,156,337	2,438,252		
Shelby Mutual Pl. Gl.....		936,296	448,102	367,975	331,944		
Standard Accident.....	1,213,360	17,136,332	600,557	6,895,678	7,640,609		
Standard Surety.....	1,500,000	5,365,472	1,379,014	1,169,429	854,436		
St. Paul-Mercury.....	900,000	3,534,922	506,551	1,350,412	1,065,519		
Sun Indemnity.....	1,000,000	5,572,099	444,500	2,127,478	1,718,285		
United States Cas.....	750,000	8,525,951	443,026	3,104,212	2,804,090		

\*Not reported.

### Cleveland Legal Committee Will Investigate Conditions

CLEVELAND, Aug. 23.—A special committee of the Cuyahoga County Bar Association has begun an investigation here into the activities of a number of casualty companies. Charges have been made that some are unsound and should not be permitted to write insurance in Ohio, while others have gone out of business, leaving many unpaid claims, and cannot be reached because they have no deposits with the state to guarantee the payment of these claims. Several years ago the Ohio laws were changed so as to provide that where a company has a deposit of \$100,000 in its home state it need not put up the \$50,000 formerly required in Ohio, provided it filed a certificate showing that it had made such a deposit in its home state. According to J. W. Moss, chairman of the committee, "scores of companies organized on a fly-by-night basis in other states have been doing business in Ohio and gone broke, leaving policyholders without recourse."

### Extend Virginia Temporary Rates

RICHMOND, Aug. 23.—Temporary rates for automobile liability and property damage coverage in Virginia have been extended by the state corporation commission until Feb. 13, 1934. Meanwhile the commission plans to assemble additional data needed in its rate investigation. The Associated Indemnity and Ohio Casualty have been authorized by the commission to file deviations 10 percent less than manual rates on school bus liability and property damage, the rates to be effective until Feb. 13.

### Wisconsin Unemployment Plans

MADISON, WIS., Aug. 23.—Wisconsin's unemployment insurance law will become effective July 1, 1934, if present employment in Wisconsin factories continues for three consecutive months, the industrial commission announces. The law is to become effective when the commission finds the number of manual employees is 20 percent greater or payrolls 50 percent greater than those of December, 1932. Present working forces are 29.1 percent greater and payrolls 40.6 percent greater than those of December, 1932, the commission announced.

who have been accustomed to high commissions, cut rates and a liberal underwriting policy, failing to get the same arrangement with an orthodox company, will switch to another nonorganization company, if they decide to make a change at all.

The Liberty Mutual Indemnity has been in process of organization with head office at Portsmouth, O. It will write automobile insurance.

### Lloyds of America Is to Be Placed in Liquidation

#### INCLUDE GENERAL INDEMNITY

New York Department Found That It Was Impossible to Rehabilitate the Companies

The Lloyds of America, formerly the Lloyds Casualty, and the General Indemnity, which it purchased some time ago after the collapse of the International Reinsurance, will be liquidated as rehabilitation has not been found possible. The supreme court in New York City appointed Superintendent Van Schaick to proceed with the liquidation. The two companies were taken over by the insurance department Aug. 4 and on Aug. 8 the court directed the superintendent to cancel all policies. The court found that further efforts to rehabilitate the two companies would be futile. It has been a foregone conclusion on part of those who had inside information that the companies were in such shape that rehabilitation was impossible. The Lloyds of America had business in all departments that had proved unprofitable. Its main business of any consequence which any company would desire would be its plate glass business that it inherited from the old Lloyds Plate Glass. The Lloyds of America really was in very bad shape.

A surprising amount of good plate glass business, which was carried by Lloyds of New York, is now being captured by going companies. The casualty people are surprised at the amount and high character of the business. Apparently many risks stayed with that company since the days when it was the Lloyds Plate Glass. Most casualty people believed that the business of the Lloyds at the end was pretty shabby.

H. B. Corell, deputy commissioner of Michigan, has been appointed ancillary receiver in that state for Lloyds and the General Indemnity. Representative W. M. Donnelly of Detroit has been named as the active receiver.

W. A. Moncure, Jr., and T. O. Moss have been appointed receivers in Virginia for Lloyds of America. A petition has been filed asking for appointment of receivers for the General Indemnity.

### Continental Casualty Meeting

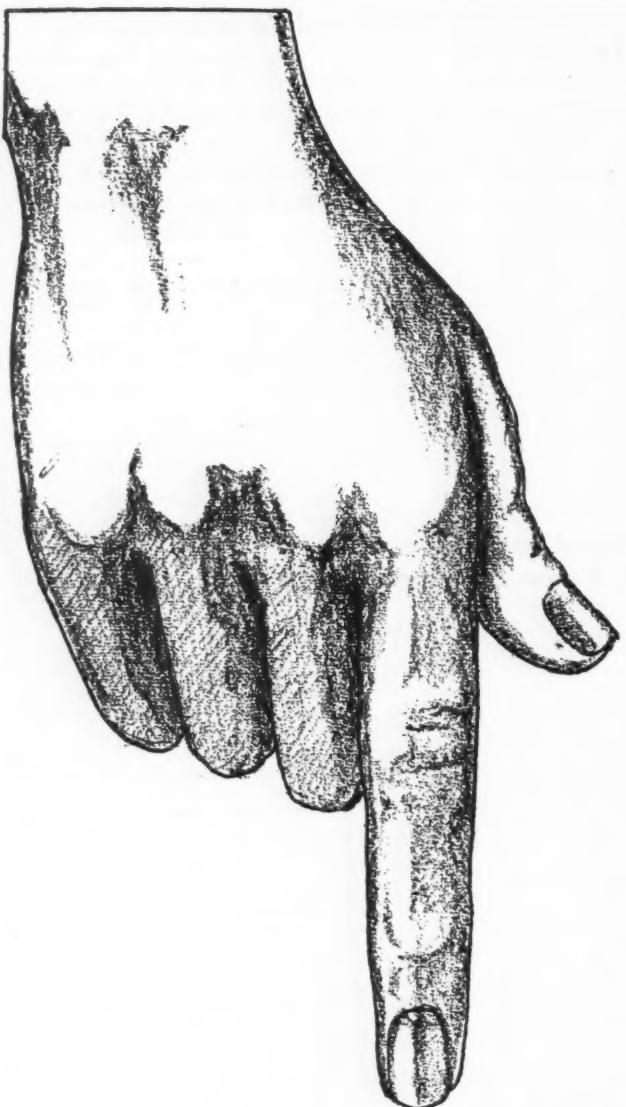
The Continental Casualty had its annual conference of claim men and attorneys in Chicago one day last week. Vice-President M. P. Cornelius was in charge and presided in the morning and made the opening talk. C. H. Ruttle, manager of the claim department for Chicago, presided in the afternoon. The Continental Casualty has this educational meeting every year in order to go over matters of interest to those having adjustment work in charge.

### Lumbermen's Mutual Casualty

An increase of 15.4 per cent in premium income for July over the same month last year is reported by the Lumbermen's Mutual Casualty of Chicago. Production for the second quarter ending June 30 exceeded the same period of last year by 4.7 per cent. J. S. Kemper, president of the Lumbermen's, says:

"Our increase is being derived on all casualty lines with automobile insurance premiums showing the largest gain. While some improvement can be noticed in workmen's compensation premiums in certain sections of the country, the full effect of improved industrial payrolls will not be felt by insurance companies for some time."

The Preferred Accident has withdrawn from British Columbia and its outstanding policies have been reinsured by the Trans-Canada.



## POINT OUT

to your clients and prospects that the American Glass Co. will carry out your promise of prompt plate glass replacements and you'll not only save your old business but will also be able to put new business on your books.

Our facilities in providing exceptional replacement service has been instrumental in making this organization outstanding in the Chicago Plate Glass Replacement field.

Call  
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**AMERICAN  
GLASS CO.**  
1030-42 N. Branch St.  
**CHICAGO**

## WORKMEN'S COMPENSATION

### Hears Wisconsin Rate Plan

#### Commissioner Mortensen Takes Under Advisement Plea for 21.3 Percent Average Advance

MADISON, WIS., Aug. 23.—In spite of preliminary rumblings that employers would demand a state workmen's compensation fund, the hearing in the insurance department on the proposed increase in workmen's compensation rates did not develop any fireworks. Viewpoints of companies concerning the difficulties experienced in the trying depression years were discussed. Employers' viewpoint was expressed by J. G. Straus, Milwaukee, who said that an increase would be premature in view of the NRA codes and improved business condition.

Insurance men pointed out that premiums are based on wages rather than aggregate payroll, and there would have to be material increase in wages if premium income were to be increased adequately except by advancing rates. They also pointed out that Wisconsin laws require that compensation for an injured part-time worker be based on the full-time wage for his work, which has greatly increased claim cost.

To conduct a technical hearing, G. F. Haydon, manager Wisconsin Compensation Rating & Inspection Bureau, pointed out it would be necessary for employers to be represented by an actuary.

As previously explained, the increase would amount to about 21.3 percent, or \$800,000 additional. He pointed out that the increase will be apportioned on the experience of industry groups, and that the self-rating risk will not feel the increase. The plan calls for increasing rates 8 percent on the manufacturing group as a whole; contracting and construction, 49 percent, and the "all-other" or miscellaneous group, 19.3 percent.

A. Z. Skelding, National Council on Compensation Insurance, gave data, answering questions as to the proposed increase. It was testified that companies suffered a nation-wide loss of \$150,000,-

000 on compensation in the last two years and 74 companies were forced to quit. Since 1929 Wisconsin compensation premiums have dropped 44 percent, it was claimed.

Representatives of the Wisconsin Manufacturers Association, Wisconsin Federation of Labor and large business establishments were present. Commissioner Mortensen will study the matter and announce decision as soon as possible.

### Legislative Probe in Ohio

Senator M. C. Harrison of Cleveland has been chosen chairman of a special committee of the Ohio senate to investigate the workmen's compensation system of Ohio. He will frame a program and the inquiry is expected to get under way soon after the present session of the legislature ends. Senator Harrison says the compensation statutes in Ohio are archaic. He advocates abolishing the provisions in the statutes for re-hearings, taking the position that the cases should go direct to the courts if the ruling on the first hearing is not accepted.

### To Push Michigan Changes

LANSING, MICH., Aug. 23.—Governor Comstock will continue to seek more liberal workmen's compensation laws, despite the fact that the last legislature ignored his request for changes in the act. He says the matter has been placed before the newly created legislative council for action and expects that new bills will be drafted in line with his ideas for submission to a special session early in 1934. The governor is especially anxious to make the compensation law apply to occupational diseases.

### Minnesota Hearing Sept. 11

ST. PAUL, Aug. 23.—A hearing on a proposed revision of compensation insurance rates in Minnesota will be held Sept. 11. The Minnesota compensation rating bureau has submitted a revised schedule of rates, with increases on most classifications.

## FIDELITY AND SURETY NEWS

### Frowning on the Practice

#### Some Companies Are Issuing Bid Bonds Without Proper Investigation of the Contractors

There has been considerable complaint in various sections recently concerning the practice of some companies writing bid bonds without making sufficient investigation of the contractor to see whether they could safely issue a permanent bond if the bidder were successful. These companies evidently issue bid bonds on suspicion, hoping to get by. They have no idea whether they can get reinsurance or not. Sometimes they find that the contractor is not reliable and has not sufficient financial stability. At times companies have been forced to fulfill their obligations and issue a contract bond without securing reinsurance or a cosurety. The well-managed companies watch this very carefully and are not issuing bid bonds unless they are in a position to issue the permanent bond.

#### Torpedo Boat Destroyer Bonds

NEW YORK, Aug. 23.—Bonds covering the construction of two torpedo boat destroyers, recently awarded the United Dry Docks of this city, are being placed here. The vessels are to cost approximately \$3,400,000 each, and a completion

bond for one-fourth the amount is required by the federal government, the rate for the indemnity being  $\frac{1}{2}$  per cent of the contract price. The United Dry Docks, successful bidder for the two boats, is a consolidation of five previously independent ship building concerns of this city and vicinity. H. T. E. Beardsley, Inc., is the broker office placing the bonds.

### Ohio Treasurers' Bonds

COLUMBUS, O., Aug. 23.—County treasurers are required under the law to give one bond to the state in such sum as the county commissioners direct with two or more bonding or surety companies as surety, Attorney General Bricker has ruled. He held that the provision in the law requiring one bond signed by two or more bonding or surety companies was mandatory and the law was not complied with by furnishing two bonds, each bond covering one-half the amount of the bond required of the treasurer by the county commissioners.

### Decrease in Import Bonds

NEW YORK, Aug. 23.—Rates on import bonds covering merchandise entered for consumption "where appraiserment is withheld" have been reduced from \$10 to \$2 per \$1,000, companies subscribing to the service of the Towner Rating Bureau have been advised.

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## ACCIDENT AND HEALTH FIELD

### Company Held Accountable

**Kansas Supreme Court Decides Case Where Advertisement Differed From the Policy**

The Kansas supreme court in Noel vs. Continental Casualty decides an interesting accident case where there was a discrepancy between an advertising circular and the wording of the policy. J. E. Noel was a railroad car oiler. The Continental Casualty agent solicited Noel for a policy and handed him a circular in which it was stated that the "New Pilot" policy would pay for the loss of a thumb and index finger one-half of the principal sum. The agent wrote on the circular the amount of \$1,250 that the policy would pay for the loss of thumb and index finger. He also wrote across the face, "Accident 3-9-31" and signed his name. Noel signed a written application.

He received the policy and it set out the schedule of losses. In smaller type the paragraph read: "Loss as above used with reference to the thumb and index finger means complete severance at or about the metacarpal-phalangeal joint." While oiling the train, Noel's foot caught on a wire and he fell in such a way that part of his left hand was on the rail and his thumb and index finger were mashed by the wheels. The thumb had to be amputated back of the first joint and the finger about half way between the second and third joints. Neither the thumb nor finger was severed at or above the metacarpal-phalangeal joint. The court says:

#### Misrepresentation Forbidden

"The statute (R. S. 1931 Supp. 40-235) prohibits the use by an insurance company in a circular of a statement of any sort misrepresenting the terms of the policy to be issued or the benefits promised thereby. The statute (R. S. 1931 Supp. 40-1109) provides that no policy of insurance against loss by accident shall be issued unless the exceptions of the policy be printed with the same prominence as the benefits to which they apply. This was not done in this policy. Whether plaintiff lost the beneficial use of his thumb and index finger was a question of fact for the jury. Appellant complains because the court below allowed plaintiff an attorney."

The supreme court held that unless the loss of a member of the body as used in the accident policy, unless restricted or modified by other language, carries the common meaning of the term "loss," which is the loss of a beneficial use of a member. The court says that since the contract was made with the oral understanding that the term should have its ordinary meaning and with the natural meaning of the term as stated in the circular used as the basis for negotiation, the trial court was justified in treating the policy as though it did not contain words of limitation upon that liability.

### Writes Newspaper Accident Policies on a Novel Basis

The Great Northern Life, which rather recently entered the newspaper accident field, has adopted some variations from the plan ordinarily used, which have proven very successful. In the first place, instead of the usual form covering only automobile and travel accident, which sells for \$1 or \$1.25 a year, its newspaper policy, with a \$3 premium, covers all accidents, paying only \$5 a week for accidents of a general nature. The amounts paid out under this provision are for the most part very small, but the greater number of small claims

paid in this way are used to great advantage by the solicitors for the newspapers.

To overcome the difficulty encountered in collecting the larger premium, it has been placed on a monthly basis. As a matter of fact, most of the newspapers make the collections weekly, but make the remittances to the company on a monthly basis. A card is sent in to the home office for each policy issued and thereafter the newspaper reports only

cancellations and not renewals. When a cancellation notice is received, the card is removed from the file and all the policies on which such notices have not been received are assumed to be still in force.

### Medical Insurer Not Licensed

PROVIDENCE, R. I., Aug. 23.—The National Underwriters Co., organized here to offer personal medical service on a monthly payment basis, is not licensed by the Rhode Island department. It was stated that such activities would not come under the department's jurisdiction but might oper-

ate outside of it, as do many organizations for benefits of various kinds.

### Wawasee Trip Called Off

The Accident & Health Insurance Club of Chicago has called off its proposed week-end party at Lake Wawasee, Ind., Aug. 26-27. Arrangements are now being made for a big field day in September.

E. C. Pieper, president of the Rhode Island, was in Montreal last week visiting the Canadian office, which is managed by B. A. Charlebois.

New 1933 **Time Saver** of accident and health policy information is out now. Order through this magazine.



NATIONAL SERVICE
on
Automobile
Plate Glass
Burglary
Public Liability
Compensation
Accident and Health Insurance
and
Fidelity and Surety Bonds
—
Capital \$1,000,000
—
Surplus to Policyholders \$1,602,894
—
Assets \$4,159,224

### Attentive Agents Require of Companies---

**FINANCIAL SECURITY  
UNDERWRITING CAPACITY  
UNDERSTANDING SERVICE**

### Central Surety Provides These Essentials.



**CENTRAL SURETY  
AND INSURANCE  
CORPORATION**

KANSAS CITY,

MISSOURI

DENNIS HUDSON, President

1898 · Thirty-Fifth Anniversary · 1933

# \$258,000,000

The above figure represents money paid to and on account of policyholders of this company for losses and loss expenses since its inception.

The "Maryland," with its reputation for prompt payment of losses, stands on its past record as the best indication of its future performance.

◆ ◆ ◆

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PRESIDENT

CASUALTY INSURANCE

SURETY BONDS

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● Experience gained through meeting many and varied conditions removes the always dangerous snap-judgments and vacillating practices that bring gray hair to agents' heads.

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## Send 9 cents in stamps for sample copy of THE ACCIDENT & HEALTH REVIEW

The only exclusive accident and health paper published.  
It gives ideas and suggestions that help you sell income protection insurance.  
Address your inquiry to A-1946, Insurance Exchange, Chicago

## PERSONALS

**John J. McKeon**, assistant manager in Detroit for the American Surety, died in St. Joseph, Mich., as the result of a heart attack. Funeral services were held in Detroit. Mr. McKeon was born in New York City in 1880. After five years with the New York office of the American Surety he was transferred to Detroit, where he had lived for the past 30 years.

**H. V. Upington**, resident manager of the New York City office of the Fidelity & Casualty, sailed on the "Champlain" for Havre, planning to spend a month traveling in France, England and Ireland. A native of Ireland, this will be Mr. Upington's first visit to the home land since he reached these shores in 1887. He is completing 36 years continuous service with the F. & C., having been manager of its Detroit branch before being called to New York a few years ago.

Having completed 25 years' service with the Fidelity & Casualty, **Charles Wanick**, office agent in the New York City branch, has been presented by President B. M. Culver with a gold medal. Specializing in personal accident business, Mr. Wanick wrote over \$1,000,000 in premiums since 1908.

**Paul G. Garey**, assistant secretary of the accident and health department of the Commercial and Metropolitan Casualty, has returned to Newark from a 3,500-mile automobile trip which took him to many parts of the country, including a visit to the World's Fair in Chicago. It was a combined pleasure and business trip. He was accompanied by Mrs. Garey.

### Insurance Counsel in Session at Chicago Annual Meeting

The annual convention of the International Association of Insurance Counsel is holding its annual meeting this week at the Stevens hotel starting Thursday. G. W. Yancey of Birmingham, Ala., is president and J. A. Millener of the Columbian Protective of Rochester, N. Y., is secretary. Attorney R. F. Hunter of Chicago gives the address of welcome and the response will be made by W. R. Mayne of St. Louis. There will be reports of various committees Thursday morning and there will be one address by G. H. Brown of Utica, N. Y., former supreme court justice of New York state, who will talk on "Jury Psychology." There will be sessions Friday and Saturday morning. The Chicago local committee consists of R. F. Hunter, chairman; Paul E. Price, R. G. Rowe, Lumbermen's Mutual Casualty; Edward St. Clair, North American Accident; B. P. Sears, National Life, U. S. A.; C. R. Holton, Great Northern Life; L. A. Stebbins, A. J. Ryan, W. H. Eckert, H. L. Eker, Paul E. Keller, A. S. Lytton, D. B. Maloney and N. A. Nelson of the Old Republic Credit Life. The Chicago Insurance Lawyers Club is handling the local arrangements, all the committee being members.

### Special Libraries People To Have Chicago Meeting

The Special Libraries Association will hold its annual meeting at the Congress hotel in Chicago for three days starting Oct. 16. This group consists of library workers in insurance, public utility, newspapers, industrial companies, universities, etc. Dr. A. D. Albert of Chicago, who has had much to do with the Century of Progress Exposition, will speak on "The Part the Special Library Will Take in the Industrial Recovery Program." There will be speakers in

### Golfer Sued for \$22,000 Because Ball Hit Caddy

**SIOUX CITY, IA.**, Aug. 23.—Suit for \$22,000 damages has been instituted here because a golf ball struck a caddy who was working for a member of the foursome in which the defendant was playing. A. D. Bland, manager of the Fairmont Creamery Co., here, playing at the Country Club, made an iron shot which after traveling 150 yards struck the caddy in the back of the neck. Mrs. Martha Hicks sues on behalf of her son, Martin L. Rounds, claiming permanent injury to his sight and hearing. The sale of golfer's liability insurance is expected to be stimulated here by this action.

various fields. W. H. Cameron, managing director of the National Safety Council, will address the insurance group. Miss Laura A. Woodward, librarian at the home office of the Maryland Casualty, is treasurer of the association. The official magazine, "Special Libraries" is edited by Miss Florence Bradley at the home office of the Metropolitan Life.

### Sues for Taylor's Insurance

**DAVENPORT, IA.**, Aug. 23.—Suit to establish claim to \$25,000 paid by the National Life U. S. A. under a policy issued to the late W. L. Taylor, former president of the Federal Surety, has been filed here by Col. Taylor's widow against Commissioner E. W. Clark of Iowa as receiver for the Federal Surety. The policy was dated in 1927, with the surety company as beneficiary. Col. Taylor died in Oklahoma City last March. The claimant asserts that he resigned some time before his death and the Federal Surety no longer had any interest in the insurance. The receiver contends that the premium was paid by the surety company.

New 1933 **Time Saver** of accident and health policy information is out now. Order through this magazine.

### Forgery Producers Wanted

Unusually attractive opening for forgery producers of proven ability in a few cities East, South and on Pacific Coast. Applications will be held in strict confidence. Our organization knows about this advertisement. Personal interview will be arranged. Address X-78, The National Underwriter.

### Wanted

Young man with thorough knowledge of automobile liability, fire and theft insurance, who can produce good brokerage accounts for large general insurance office in Chicago. Give experience. Address X-81, The National Underwriter.

### Safety Engineer Wanted

Wanted by one of the leading casualty companies a safety engineer well versed in casualty work, who has had mechanical experience. A man of executive type desired. State age, qualifications, experience and salary expected. Address X-77, The National Underwriter.

### Casualty Field Men Wanted

A strong eastern casualty company desires to employ four high grade accident and automobile field men to operate out of Chicago covering Illinois, Michigan, Wisconsin, Minnesota and Iowa. This gives an opportunity for experienced men to get a firm footing with a good company. Address X-75, The National Underwriter.

# INSURANCE DECISIONS

*The most widely read legal journal of Insurance*

Reporting Monthly All Federal and State Appellate Court Cases

THE original and unique method of sifting the reports, discarding all irrelevant matters of law, and presenting the insurance points in plain insurance language, has been enthusiastically received by insurance men of every class and description, Home Office and Field, so that to-day INSURANCE DECISIONS has the largest circulation of any legal journal serving the insurance field.

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#### CONNECTICUT

HARTFORD: John C. Blackall-Day, Berry & Howard.

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WASHINGTON: Wells & McCormick.

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#### KANSAS

SALINA: Burch, Litowich & Royce. TOPEKA: Sloan, Hamilton & Sloan. WICHITA: Burch & Patterson.

#### KENTUCKY

ASHLAND: Frank C. Malin. LEXINGTON: Allen, Bolts & Duncan.

LOUISVILLE: Woodward, Hamilton & Hobson.

OWENSBORO: Clements & Clements.

#### LOUISIANA

ALEXANDRIA: Hawthorn, Stafford & Potts.

MONROE: Hudson, Potts & Bernstein.

#### MAINE

AUGUSTA: McLean, Foote & Southard.

BANGOR: Fellows & Fellows.

LEWISTON: Fred H. Lancaster.

PORTLAND: Verrill, Hale, Booth & Ives.

#### MARYLAND

BALTIMORE: Walter L. Clark.

CUMBERLAND: F. Brooke Whiting.

#### MASSACHUSETTS

BOSTON: Phipps, Durgin & Cook.

SPRINGFIELD: Bacon, Wells & Wetteman.

#### MICHIGAN

BATTLE CREEK: Mason, Alexander & McCaslin.

BAY CITY: Clark & Henry.

DETROIT: Mason, Alexander & McCaslin.

GRAND RAPIDS: Mason, Alexander & McCaslin.

JACKSON: Forrest C. Badgley & Maxwell F. Badgley.

KALAMAZOO: Clair S. Beebe.

LANSING: Brown & Gregg.

SAGINAW: Mason, Alexander & McCaslin.

#### MINNESOTA

DULUTH: Baldwin, Holmes, Mayall & Reavill.

MINNEAPOLIS: Ernest E. Watson.

ST. PAUL: Bundlie & Kelley.

#### MISSOURI

KANSAS CITY: Morrison, Nugent, Wylder & Berger.

PITTSBURGH: Dalzell, Dalzell, McFall & Pringle.

READING: Stevens & Lee.

ST. JOSEPH: Landis & Landis.

#### NEBRASKA

LINCOLN: Burkett, Wilson, Brown & Van Kirk.

OMAHA: Kennedy, Holland & DeLucy.

#### NEW YORK

ALBANY: Ransom H. Gillett.

BINGHAMTON: Frank M. Hays.

BUFFALO: Ulysses S. Thomas.

NEW YORK: Wendell P. Barker—Robert M. McCormick.

ROCHESTER: Werner, Harris & Tew.

SYRACUSE: Melvin & Melvin.

#### NORTH CAROLINA

ASHEVILLE: Johnson, Smathers & Rollins.

CHARLOTTE: J. Laurence Jones.

DURHAM: Robert H. Sykes.

GREENSBORO: King & King.

RALEIGH: Clyde A. Douglass.

WILMINGTON: William B. Campbell.

#### NORTH DAKOTA

FARGO: Nilles, Oehlert & Nilles.

MINOT: Lewis & Bach.

#### OHIO

CLEVELAND: Thompson, Hine & Flory.

COLUMBUS: Knepper, White, Smith & Dempsey.

DAYTON: Mattheus & Mattheus.

TOLEDO: Denman, Miller & Beatty.

YOUNGSTOWN: Nicholson & Warnock.

#### OKLAHOMA

MUSKOGEE: C. A. Ambrister.

OKLAHOMA CITY: Thurman, Bowman & Thurman.

#### OREGON

PORTLAND: E. L. McDougal.

#### PENNSYLVANIA

ALLEGHENY: Aubrey, Friedman & Senger.

HARRISBURG: John T. Olmsted.

NEWCASTLE: Mattheus & Jamison.

PHILADELPHIA: Harry S. Ambler, Jr.

PITTSBURGH: Dalzell, Dalzell, McFall & Pringle.

READING: Stevens & Lee.

SCRANTON: Welles, Mumford & Stark.

#### RHODE ISLAND

PROVIDENCE: Henry M. Boss, Jr.

#### SOUTH CAROLINA

CHARLESTON: Hyde, Mann & Figg.

COLUMBIA: Tobias & Turner.

GREENVILLE: Hicks & Johnston.

SPARTANBURG: Carlisle, Brown & Carlisle.

#### SOUTH DAKOTA

ABERDEEN: Williamson, Smith & Williamson.

SIOUX FALLS: Bailey & Voorhees.

WATERTOWN: Stover & Jaynes.

#### TENNESSEE

MEMPHIS: Winchester & Bearman.

#### TEXAS

DALLAS: Thompson, Knight, Baker & Harris.

FORT WORTH: Cantey, Hanger & McMahon.

HOUSTON: King, Wood & Morrow.

#### VERMONT

MONTPELIER: Fred E. Gleason.

#### VIRGINIA

CHARLOTTESVILLE: Albert S. Bolling.

LYNCHBURG: M. F. Trader.

NORFOLK: W. Shepherd Drewry.

RICHMOND: Joseph F. Hall.

ROANOKE: Woods, Chitwood, Coxe & Rogers.

#### WASHINGTON

SEATTLE: Roberts, Skeel & Holman.

#### WEST VIRGINIA

HUNTINGTON: Fitzpatrick, Brown & Davis.

#### WISCONSIN

GREEN BAY: Joseph Young & Everson.

JANESVILLE: Jeffris, Mouat, Oestreich, Wood & Cunningham.

KENOSHA: Alfred L. Drury.

MADISON: Richmond, Jackman, Wilkie & Toebeens.

MILWAUKEE: Bendinger & Hayes.

OSHKOSH: Bouck, Hilton, Kluwin & Dempsey.

SUPERIOR: Hanitch, Johnson & Fritschler.

# INSURANCE DECISIONS

Published Monthly at \$6.00 per annum

R. M. CHANDOR, Publisher

222 East Ohio Street

INDIANAPOLIS, INDIANA

# Time Tested—

RECOGNIZING the fundamental principle that an insurance company's function is to provide *dependable protection* to policyholders, the men who have guided Fireman's Fund since its organization in 1863 have steadfastly adhered to a prudent and conservative policy of business through times of prosperity and times of depression.

In consequence, Fireman's Fund has successfully weathered every conflagration, disaster and panic since the Civil War, and as each test has been overcome, Fireman's Fund has stood forth more firmly than ever as a landmark of **STRENGTH, PERMANENCE and STABILITY.**

In these times, when the public is demanding security of unquestioned dependability, a connection with a company of the Fireman's Fund Group is more of an agency asset than ever.



*Fire · Automobile · Marine · Casualty · Fidelity · Surety*

## FIREMAN'S FUND GROUP

*Fireman's Fund Insurance Company  
Home Fire & Marine Insurance Company  
Occidental Insurance Company  
Fireman's Fund Indemnity Company  
Occidental Indemnity Company*

New York · Chicago · SAN FRANCISCO · Boston · Atlanta

## OHIO AGENTS CONVENTION NUMBER

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

FRIDAY, AUGUST 25, 1933

### "WESTERN AND SOUTHERN GROUP"

An Ohio Group for Ohio Agents

### THE WESTERN AND SOUTHERN INDEMNITY COMPANY

Policyholders Surplus . . . \$1,506,656.98  
All Securities Valued at Market December 31, 1932

### THE WESTERN AND SOUTHERN FIRE INSURANCE COMPANY

Policyholders Surplus . . . \$493,330.74  
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Charles F. Williams, President

Cincinnati, Ohio

ALL LINES OF CASUALTY AND FIRE INSURANCE  
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Manager

# PROTECTION



## SINCE 1848

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# The National Underwriter

THIRTY-SEVENTH YEAR—No. 34-A  
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CHICAGO, CINCINNATI, SAN FRANCISCO AND NEW YORK, FRIDAY, AUGUST 25, 1933  
Office of Publication, 175 West Jackson Boulevard, Chicago, Illinois

OHIO AGENTS  
CONVENTION NUMBER

## Ohio Reorganization Plan Is Adopted

### Spirited Forum on Cancellation Plan

Discussion of Proposed Automatic Clause Is Stimulating and Provocative

### F. V. BRUNS IS LEADER

So Many Agents Anxious to Give Views on Subject That Session Is Difficult to Conclude

The forum on the automatic cancellation clause at the Marion meeting of the Ohio Association of Insurance Agents proved to be stimulating and provocative. F. V. Bruns, president of the Excelsior of Syracuse and well known local agent of that city, who has a following in Ohio, went to the Marion meeting to lead the discussion on this subject. He gave no indication of his personal attitude, but he was an interlocutor without equal and caused the members to engage in such lively discussion that difficulty was encountered in attempting to end that feature of the meeting.

### Cites Action Taken by Insurance Departments

In introducing the discussion, Mr. Bruns said that the proposal has been advanced to make fire and casualty policies null and void if not paid for after a stipulated period. He recalled that some of the insurance departments have demanded that the companies report a list of their brokers and agents who are more than 90 days delinquent in payment of balances. This, he said, is another step of government in business. To induce thinking on the subject, he asked how long it would be before some one would cause all assureds who are delinquent in payment of premium to be listed. Thereupon he asked for comment on the question: "Do we want the automatic cancellation clause?"

C. A. Benner of the W. G. Wilson agency of Cleveland expressed opposition to the automatic cancellation clause. He said that the Wilson agency some time ago adopted a strict collection program, involving the acceptance of partial payment, which would keep the agency ahead of the short rate, if the policyholder gave evidence of the possibility of paying eventually. Ninety days after the program was instituted, Mr. Benner said that more than half of the agents reporting to the Wilson office expressed satisfaction and expressed the opinion that the plan should have been put into effect earlier.

Mr. Benner said there is too much

### NEW OFFICERS ELECTED

#### PRESIDENT

Hugh L. Meek, Columbus

#### VICE-PRESIDENT

Francis O'Connor, Lima

#### TRUSTEES

District 1, Austin McElroy, Columbus; District 2, W. V. Hayes, Marietta; District 3, W. A. Earls, Cincinnati; District 4, Paul Dye, Urbana; District 5, A. W. Kette, Marion; District 6, Harvey Martin, Toledo; District 7, W. E. Flickinger, Cleveland; District 8, C. R. Laurenson, Canton; District 9, I. S. Hewitt, Youngstown.

government in business now. The agent should collect his own accounts, he declared, or get out of the business. Complicated situations would develop under the automatic cancellation clause, he said. Government regulations are inflexible and turn square corners, he said.

E. J. Cole of Fall River, Mass., chairman of the finance committee of the National Association of Insurance Agents, said that a week ago he had a conference with James L. Case of Norwich, Conn., who has been the leading advocate of the cancellation clause. Mr. Case, he said, remarked at that time that the Ohio association went on record in favor of the automatic cancellation clause at its meeting last year and expressed surprise that the question was scheduled for discussion this year.

Mr. Cole relayed to the Ohio meeting the results of the questionnaire on the automatic cancellation clause, which was sent to all members of the National association at the instance of Mr. Case.

On Aug. 15, 5,714 cards had been returned, and 4,106 answers favored use of the automatic cancellation clause. Therefore, those who responded unqualifiedly in favor of the proposition comprised 45 percent of the membership of the National association. Of those answering the questionnaire, 1,180 expressed opposition to the clause. Names were signed to 47 cards, but the question was not answered. Three answered the question but did not sign their names. Approval of the general principle of the clause was expressed by 235, who offered modifications, however, while 116 members answered "No" but with qualifications.

Mr. Cole said that two agencies in Massachusetts, to his knowledge, are now using the automatic cancellation system. On their policy stickers appears the message to the effect that there is a 60-day payment clause in the policy and asking the assured to return

(CONTINUED ON PAGE 10)



HUGH L. MEEK, Columbus  
New President Ohio Association



C. C. RUDIBAUGH, Youngstown  
Retiring President

### Agents Completely Revamp Structure

Incorporation Big Feature of New Setup—Nine Trustees Named By Districts

### MEEK NAMED PRESIDENT

Four Leaders of National Association, Headed by President Gandy, on Hand for Meeting

New vitality was displayed at the annual meeting of the Ohio Association of Insurance Agents at Marion, when the structure of the organization was completely revamped. Registrations totaled nearly 200, the members being attracted by the fact that this was scheduled to be a most significant meeting. Four leaders in the National Association of Insurance Agents from outside the state, headed by President Charles L. Gandy of Birmingham, were on hand to counsel the Ohio agents in their rebirth and to help usher in the new deal auspiciously. The other national leaders were E. J. Cole, Fall River, Mass., chairman of the finance committee of the National association; Clyde B. Smith, Lansing, Mich., past president National association, and K. H. Bair, Greensburg, Pa., member of the executive committee of the National association.

### Incorporated Association Replaces Old Organization

The Ohio Association of Insurance Agents was cast into the discard at the Marion meeting and the Ohio Association of Insurance Agents, Inc., was created. The business of explaining the details and purpose of the proposed new setup and its adoption occupied much of the attention of the convention, although a lively forum on the vacancy clause and the automatic cancellation question was conducted and a lengthy executive session was held, the principal discussion at that time centering about the action of the Federal Union in attacking the resident agents law of Ohio.

The new president is Hugh L. Meek of Columbus, big, jovial and commanding, who was one of the principal factors in bringing about the new deal. Mr. Meek has been vice-president for the last year and since the resignation of W. H. Tomlinson because of ill health has been acting secretary for several months.

The feature of the new setup upon which the greatest emphasis was laid is the provision for a board of nine trustees, one from each of nine districts.

(CONTINUED ON PAGE 9)

## Small, Big Agents Need Each Other

Clyde B. Smith Emphasizes Community of Interest of Two Classes

### URGES CONTINGENT PLAN

Former President of National Association of Insurance Agents Makes Plea for Harmony

By CLYDE B. SMITH

There seems to be a misconception on the part of some agents that if they are operating in a small city they have nothing in common with those of the metropolitan centers; on the other hand, those so-called large city agents feel they need no help from the brethren who are so lucky as to be operating in the smaller communities.

They are both far from actuality. They need each other more than they realize. I am one of those small town agents and would not exchange places with any of the big town men, especially, if they are doing business in an excepted city. This statement may seem rather broad to some of you but if you will give the matter careful consideration I am inclined to think you will agree with me.

#### Small Town Agent Has Only Direct Business

If we small town agents want to sell our agencies we have nothing but direct business to offer while all too often that agent with the high commission has so much brokerage business that he does not know what the agency is worth; if he does, he cannot convince the prospective buyer of that value. Furthermore, those cities with the higher commissions have to contend with the man who secures a license simply with the idea of paying some solicitor more than he should and more than the agent in ordinary territory gets or he may even be unethical enough to rebate, indirectly, of course, a portion of his commissions.

Having been out of a job for some time a half or even a quarter loaf looks better to him than no loaf at all. And, as usual, it is the legitimate service-giving agent that suffers along with the buyer of insurance who, in his desire to save a few dollars in premiums, has overlooked that one important fact that he gets nothing but a policy of insurance that may or may not be correctly written and is perhaps of little use in event of loss.

#### Uniform Commissions Would Cause Suffering

To further emphasize my point I do not believe I can do better than to quote from the statement I made in Chicago at the time of the hearing of the insurance commissioners' convention on commissions: "In some cities conditions are as they have been for years and they cannot be changed in actual practice. Theoretically, they may be revamped, but actually you cannot change them without hardship to the many men who have invested not only their money but a lifetime of effort in businesses that they have hoped to hand down to their posterity. If a uniform scale of commission were to be adopted country-wide it would amount, in a great many instances, to confiscation. I do not believe there is any desire to bring this about."

No, my friends, I sympathize with

### Says Small Town, City Agents' Interests Same



CLYDE B. SMITH, Lansing, Mich.  
Former President National Association  
of Insurance Agents

and do not envy those agents in the so-called excepted cities.

While I believe the matter of commissions will take care of itself I am not so sure of contingents. As chairman of the executive committee and later as president of the National Association of Insurance Agents I always advocated the adoption of the contingent plan of reimbursing the agent for underwriting the business in his agency. I am of the same opinion still; no one has ever convinced me of the error of my ways. At the Nebraska meeting in 1931 I advanced an idea that I thought would at least be worthy of a trial. Much to my disappointment it did not even cause a ripple. Possibly it was not worth the attempt; possibly the companies had so many troubles it was overlooked. No matter what or why, I am taking this opportunity of repeating the suggestion verbatim:

#### Try Contingent Plan in High Loss Ratio State

"It was much easier to reduce rates than it will be to increase them; therefore, the only method left is to bring about a reduction in losses. This can be brought about partially by closer

(CONTINUED ON PAGE 10)

## National Leaders at Meeting



CHARLES L. GANDY, Birmingham  
President National Association

## Vacancy Clause Question Discussed in Open Forum

The vacancy clause question, to which executives and agents in the west have given considerable attention in the last year or two, was the subject of open forum discussion at the Marion meeting of the Ohio Association of Insurance Agents, with President Herbert Boynton of the Toledo board leading the discussion.

Mr. Boynton expressed the belief that most of the agents feel that the present vacancy clause is not beneficial to either the agent, company or assured. By charging an additional premium, he said, the assured is penalized at a time when his property is not productive and it is consequently harder for him to pay the premium.

The agent, he said, is disgruntled because he feels that he is forced to do over again a job that has been completed when the policy is sold. The company gets a little extra premium, but he expressed the belief that no amount of extra premium can compensate for the extra hazard unless the assured joins in watching the risk.

#### Many Prefer Reduction in Amount of Loss Paid

For these reasons, he said, many agents feel that a reduction in the amount of the loss paid where vacancy or unoccupancy exists would be the better course.

Mr. Boynton pointed out that vacant property deteriorates in value. It suffers from vandalism. Windows in many vacant places in Toledo have been broken and the plumbing fixtures stolen, he said. A market is created for these second-hand fixtures, much as there is in those cities where stripping of automobiles is prevalent. Real estate managers frequently buy stolen fixtures from "fences" to rehabilitate property. The companies should not be on these risks for the full amount, he said. The assured should assume some of the risk.

Mr. Boynton commented on the difficulty of getting notice of vacancy and unoccupancy from the assured. If the companies could be sure of being notified in most of the cases, he said, they would be willing to work out the problem on an easier basis.

The present vacancy rule, he said, drives many owners to patronize mutuals or agents outside the state. He said that an operator in charge of much

vacant property in Toledo recently negotiated coverage through Chicago without paying the extra premium.

William T. Harrison of Middletown asked why the companies rescinded the former rulings, under which the amount of insurance was reduced 25 percent in the event of vacancy or unoccupancy.

C. O. Ransom of Cleveland said that these rulings were rescinded because assureds could purchase additional insurance and overcome the reduced amount.

W. E. Lawler of Marion said he was opposed to the principle of reducing the amount of insurance in the event of vacancy. Few dwellings, he said, are insured for their real value and very few are overinsured in the smaller places. He said he doesn't object to the present system. The principal question is whether the companies will get the notice of the vacancy. Mr. Boynton said there is little objection to the amount of the present charges.

J. P. Hershberger, state agent for the Royal, cited how the vacancy question is related to the mortgage clause problem. He said there are at least 151 mortgage forms in Ohio, only five of which approach the standard. In most of these forms the question of vacancy is waived so far as the mortgagee is concerned. C. W. Hendershot of East Liverpool asked why the audit bureau permits these mortgage forms to pass. Mr. Hershberger explained that the standard mortgage clause is not a part of the rule book. These forms are used because of expediency and pressure. The audit bureau does not have jurisdiction.

#### Automatic 75 Percent Loss Clause Suggested

Mr. Ransom said that the mortgage forms 127 and 127B are those that protect the companies. The agents who are using these forms are confronted with a problem because of the difficulty of getting notice under the vacancy permit. He suggested that the extra charge and the requirement of notice in the event of vacancy be waived. Instead of these requirements, he suggested that an automatic 75 percent loss clause be used. He said reducing the amount of the insurance is not a penalty in places where there is good fire protection, but the companies would benefit if they should pay only 75 percent of any loss where vacancy occurs.

Mr. Boynton concluded the discussion by saying that the biggest problem in the agency business is to make money right now. The agents can no longer afford to wait until things get better. The job is to get expenses below premiums that are collected.

## Western & Southern Men

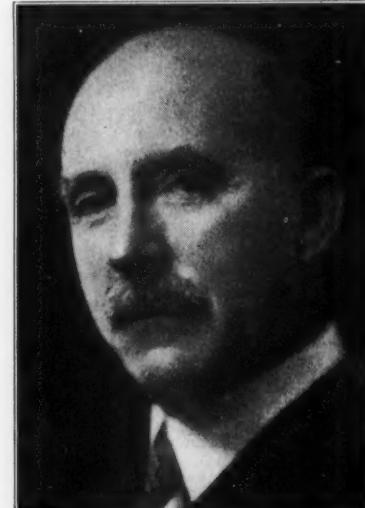
The Western & Southern organization of Cincinnati was represented by Assistant Secretary E. P. Gustafson of the Western & Southern Fire and Paul Wright and A. C. Meyers, who travel in the state for the Western & Southern Indemnity.

\* \* \*

The only representative of western managerial ranks at the Marion meeting was C. E. Varley, assistant western manager of the Springfield. Mr. Varley has many friends in Ohio and he extended his acquaintance considerably. He was escorted by State Agent Ross S. Tidrick of Columbus, who is president of the Ohio Fire Underwriters Association.

\* \* \*

A. C. Bachman, president of the Marion Board, was ably assisted in preparing for the welfare of the visitors by local convention committee. G. F. Larie was chairman of the reception committee; G. J. Orians, registration; F. M. Knapp, transportation; C. J. Watrous, golf; J. W. Llewellyn, information; A. W. Kette, program, and Mrs. Henry Kraner, bridge.



E. J. COLE, Fall River, Mass.  
Chairman of Finance Committee

# Popular with Buckeye Agents

• . . Since 1864



## Three Ohio Agencies

**Schieble Bros., Dayton**

**Seward-Taylor Ins. Agency, Hamilton**

**A. L. Hite, Higginsport**

are celebrating their Golden Anniversary as Eureka-Security representatives and are still in active service operating under their original license granted in 1883. Thirty-eight other Buckeye agents are this year observing their Silver Anniversary. This is proof that this organization, *Ohio's oldest stock fire company*, has met the exacting test of its Home State Agents for a sound, conservative, well managed company—a company in which they like to place their business.

We are proud of our Home State Agents. Their service record is remarkable, their loyalty unswerving, their friendship among our most valued assets. You will find the men listed below always available and anxious to help Ohio agents with any insurance problems.

**OHIO SPECIAL AGENTS**  
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22 Garfield Place                428 Delaware Ave  
Cincinnati                         Dayton, Ohio

**STATE AGENT**  
T. E. Allaire  
21088 Westlake Road  
Rocky River, Ohio  
or Room 602,  
246 No. High St.  
Columbus, Ohio



**THE**  
**EUREKA-SECURITY**  
**FIRE & MARINE INSURANCE CO.**

*Established 1864*  
**CINCINNATI, OHIO**

**Large Enough**  
To write lines liberally

**Small Enough**  
To give individual attention

**Young Enough**  
To grow by giving service

**Old Enough**  
To have profited by experience

# THE OHIO CASUALTY INSURANCE COMPANY

HAMILTON, OHIO

★  
**Assets over  
Three Million Dollars**  
★  
**AN OHIO COMPANY**  
writing  
**Full Coverage Automobile  
Fidelity and Surety Bonds  
Liability**  
**Plate Glass ★ Burglary  
Automobile Accident**

## OHIO ASSOCIATION of INSURANCE AGENTS



NEVER before has the usefulness of organized bodies of agents been so apparent. The Ohio Association stabilizes Ohio insurance. It gives a property value to every agency because of its protecting arms. A membership in the Ohio Association of Insurance Agents insures an agent's business. It gives him a standing and footing in his own line of work.

The Ohio Association labors for legitimate direct writing agents operating on the commission basis of compensation. It stands squarely for the American Agency System, its high principles and methods of operation.

Atlas Building

Columbus, Ohio

## Ayer, Manchester Relate New Setup

### Value of Incorporation and De- tails of Reorganization Plan Explained

### MANY QUESTIONS ASKED

#### Much Discussion on Requirement That Members Report Names of Com- panies That They Represent

The virtue of incorporating the Ohio Association of Insurance Agents and the details of the new setup were explained to the convention by Fred B. Ayer and Harry R. Manchester, both of Cleveland. Mr. Ayer gave particular attention to the articles of incorporation, while Mr. Manchester discussed the new regulations. Mr. Manchester was credited with having done most of the work of drawing up the regulations.

Mr. Ayer said that, operating as a corporation not for profit, the Ohio association is given the necessary latitude for carrying on its activities. The officers and trustees are protected from individual liability for contracts and continuity of activities is provided for. The articles of incorporation set forth the powers and purposes of the organization and provide that the organization shall be active in prevention of discrimination and rebating, work in behalf of betterment of risks, including accident prevention, shall oppose overhead writing, the appointment of foreign brokers and planting with financial institutions, and promote limited agency representation.

Judd Richardson of Toledo inquired about the expense of incorporating and whether the corporation would be liable to any tax under the new federal laws. He was told that the expense of incorporating was \$25 and that the possibility of tax was remote.

Mr. Manchester read the regulations which provide that any local agency, individual, partnership or corporation located in Ohio and licensed by the Ohio department, by signing an application and paying dues may become a member. If there is a local board in his city, he must be a member of it or else get a statement from the local board that the board does not object to his mem-

bership in the state association.

The regulations provide that the state association will not recognize any local board created in the future unless all the members of the local board belong to the state association.

The application should specify the insurance companies represented and the individuals comprising the agency.

This regulation provoked considerable discussion. Thomas M. Lynn of Zanesville asked whether that resolution would prejudice the position of any agent because of the companies he might represent. It turned out that Mr. Lynn had in mind that the regulation might be invoked to discriminate against agents who represented bureau or non-affiliated companies. Mr. Manchester said that the regulation was designed merely to enable the association to have the information on hand.

W. E. Flickinger of Cleveland said the time might come when the association might not want a man as a member if he represented a certain company.

Fred B. Ayer said that if the association should at some time declare a company in violation of agency principles, an applicant for membership might be held in disfavor if he represented that company. He said that the association should not permit an agent to be admitted for membership if he represents a company that is acting disastrously to the welfare of the agency system.

Mr. Lynn said that he would never represent a company that was a bad actor, but he does not want to be entangled by a provision that would force him to represent only union, bureau or non-affiliated companies. He said that the regulation should specify that the question of union, bureau or non-affiliated is not involved. Mr. Lynn said he would have no objection to limiting the representation of members to companies who comply with the code of the National and state associations.

Clyde B. Smith of Lansing, Mich., said that the availability of information as to company representation is important so that if a company gets out of line, the association may get in touch with the agents of that company and bring pressure to bear.

After this discussion Mr. Manchester went on with his explanation of the details of the setup. He said that the certificate of membership is nontransferable. The right to vote is by agencies but the other rights of membership are individual. The officers are president, vice-president, secretary and treasurer, who may be one man or two. The state is divided into nine districts and a trustee is elected from each region.

(CONTINUED ON PAGE II)

## Prepare Reorganization Plans



FRED B. AYER, Cleveland



H. R. MANCHESTER, Cleveland

## President Gandy Banquet Speaker

Censures Standard Companies for  
Reinsuring Cut Rate  
Institutions

### HITS HARD AT I. U. B.

Agents Are Divided, He Said, on Question of What NRA Codes Should Embrace

President Charles L. Gandy of the National Association of Insurance Agents, in his address at the banquet at the Marion meeting expressed the hope that the reorganization of the Ohio association might be as effective as was the reorganization of the National association at its meeting in Cleveland in 1918. At that time a fund of \$25,000 was raised to put the National association on its feet and from that date the National association has been an ever increasing force and the \$25,000 has grown to \$71,000.

Mr. Gandy mentioned the work the National association has done in persuading the federal authorities to restore the privilege of placing bonds for receivers and conservators of closed national banks to the local agents in the various localities. The National association is now attacking the problem of the writing of bonds of home loan banks, attempting to preserve the rights of the local agent.

Mr. Gandy censured orthodox com-

panies for reinsuring cut rate companies. He said that one of the leading casualty cut raters, which is causing much disturbance in the field, reinsures with most of the standard companies. The National association should inform the National Bureau of Casualty & Surety Underwriters that the agents are keeping a weather eye on this situation, he said.

He said the Interstate Underwriters Board threatens to be the undoing of the insurance business. It was organized, he charges, to eliminate the agent's commission. The National association, he said, is enlisting the aid of the American Association of Insurance General Agents to "smoke out the companies on the I. U. B." Mr. Gandy charged that commissions are not paid on more than 20 percent of I. U. B. business. The agents should insist on getting 100 percent of the commissions or put the I. U. B. out of business, he said. He contended that the I. U. B. permits the companies to cut rates by eliminating commissions. The National association is needed in this work, he said. Mr. Gandy declared that production branch offices are "a cancerous growth" and "obnoxious."

There is great difference of opinion among the agents, he said, as to a national code for agents. Some leaders feel that the NRA code should cover mutual competition, overhead writing, etc., while others, appreciating that these "evils" exist, feel that the insurance business should be kept out of federal control. He said that the officers of the National association hope they can make the right decision until the Chicago convention in October when representative opinion may be obtained.

President C. C. Rudibaugh was toastmaster at the banquet. He introduced the guests and the officials of the Ohio association, including H. L. Meek, who was then vice-president and secretary, and is now president; H. S. Martin of Toledo, member of the executive committee; J. E. Greenwood, the only past

## Sidelights of the Meeting of Ohio Agents at Marion

F. V. Bruns, president of the Excelsior of Syracuse, arrived at Marion at 5:22 a. m. the second day of the meeting. The welcoming committee consisted of F. P. O'Connor of Lima, the new vice-president, and L. E. Kietzman, special agent for the American of Newark. The committee decided, instead of going to bed early and rising in the middle of the night to meet Mr. Bruns, to stay up during the night and the committeemen had a long session of pinochle before the arrival of Mr. Bruns' train.

\* \* \*

K. H. Bair of Greensburg, Pa., member of the executive committee of the National Association of Insurance Agents, motored to Marion with Mrs. Bair. The purpose of his visit, he said, was to sign President Charles L. Gandy to appear before the annual meeting of the Pennsylvania Association of Insurance Agents at Pittsburgh, Oct. 5-6. He was successful in his mission.

\* \* \*

Various telegrams were read to the convention. There was a telegram of greeting and good wishes from the American Association of Insurance General Agents, and a telegram from E. B.

president that attended; W. E. Flickinger, Cleveland, member executive committee; E. J. Cole, Fall River, Mass., chairman finance committee National association; Clyde B. Smith, Lansing, Mich., past president National association; B. W. Gearhart, Columbus, former insurance commissioner of Ohio; K. H. Bair, Greensburg, Pa., member executive committee National association, and F. P. O'Connor, Lima, chairman program committee.

Vickery of Chicago, urging the Ohio people to make their reservations for the National association meeting in Chicago promptly.

\* \* \*

Chief MacFarland of the Marion fire department attended the sessions of the convention and was introduced by A. C. Bachman, president of the Marion board.

\* \* \*

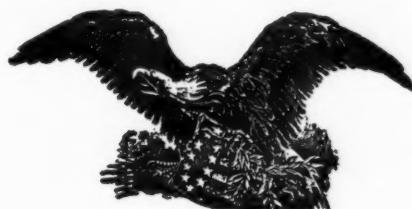
At the banquet at the Marion Country Club, one of the entertainment features was the *convict quartet*, one member being Herbert Boynton, president of the Toledo Board. These sweet singers were attired in convict garb. After they had rendered some harmony, they were found to be in possession of many personal articles which had been looted from prominent guests. Mr. Cole and Mr. Gandy were both forced to retrieve their lurid and decorative pajamas. It turned out that Clyde B. Smith was the accomplice of the convicts in looting the quarters of the dignitaries.

\* \* \*

The resolution committee consisted of Ralph Smith, Youngstown, Thomas Goss, Cleveland, and Gust Kolinski, Elyria. In addition to the resolution on the NRA code and on the Federal Union case, a number of memorials were adopted in appreciation of work of the various officers, the Marion association, and the leaders in the National association who attended the meeting.

The nominating committee consisted of C. W. Clemons, Cincinnati, Dorman Richardson, Toledo, Roy Bidwell, Canton, A. W. Kette, Marion, and A. B. Fisher.

SAY, MEN! That fire and allied lines business, how is it getting along? The **Training Course in Property Insurance** will give you all the dope to make this end of your business step along. Write The National Underwriter Company, 420 East Fourth street, Cincinnati, O., for FREE booklet describing the Course of Training.



## American National Fire Insurance Company Columbus, Ohio

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*Chartered 1865*

## THE RELIABLE FIRE INSURANCE COMPANY OF DAYTON, OHIO

Capital - - - - - \$ 250,000  
Surplus to Policyholders 1,001,391  
(Actual Market Values June 30, 1933)

Frank J. Bucher, Pres.

Wm. F. Kramer, Secy.  
Fire and Tornado Insurance

E. J. Weiss, Asst. Secy.

H. J. Favorite, Special Agent

An Independent Ohio Company

# Legislative Year Scanned By President Rudibaugh

By C. C. RUDIBAUGH

This is the second convention over which it has been my privilege to act as presiding officer. At Marietta last year it was impossible for President Kountz to attend and being the vice-president it was my duty to read his annual report and preside. In selecting the nominating committee at that meeting, I can assure you that I had no ulterior motive; however, I was nominated and honored with the presidency.

This meeting completes my seventh year as a member of your official family and I yield the position to a successor with a feeling of pleasure and regret: Pleasure that I can be relieved of the duties which were sometimes quite arduous and regret because I will be less closely associated with the work of the organization, also with pride because I have had the honor of serving as your president. I assure you that I will continue to support the organization and be of any assistance possible to the future administrations.

## Past Year Most Trying in Association's History

The past year has probably been the most trying in the history of the state association, unless it could have been during the period of reorganization, which occurred about 13 years ago. I want to pay tribute at this time, to the loyal members and officers who had the vision and the courage, at that time, to open the central office at Columbus and employ Judge W. H. Tomlinson to act as a full time secretary-treasurer and general counsel.

We were fortunate, however, when the judge's resignation was announced that the legislative session was well under way and therefore nothing was passed which was injurious to the business of insurance. On the other hand, some very desirable legislation was enacted which has since become laws of our state. Certain of these bills are more outstanding. House bill 63 was effective July 14, 1933, guest non-liability; house bill 314, permitting boards of education to carry liability insurance; senate bill 226, license requirement of agents of domestic casualty companies, which will compel certain organizations to secure agents' licenses through the department of insurance for the soliciting and effecting of insurance; also an-

other bill of which I do not have the number, permitting municipalities and towns to carry liability and property damage on publicly owned motor vehicles.

## Cites Objectionable Bills That Were Killed

Among the many bills and resolutions failing of passage were: To repeal the anti-discriminatory law; to make insurance rates subject to an approval of the superintendent of insurance; to permit municipalities to levy \$12 tax on automobiles to compensate injured; old age pensions; unemployment insurance; to permit cities and political subdivisions to establish fire replacement funds; to enact straight out compulsory automobile liability insurance; to investigate rates of all insurance companies doing business in Ohio.

As previously mentioned, the past year has been very unusual as all business was on the down grade and there

were many loyal agents and members who were unable to pay their dues, therefore, we were obliged to operate on a very much reduced income. In this regard our organization did not greatly differ from others of like kind, or various other voluntary organizations.

I am recommending that the present schedule of dues be revised and while I firmly believe that we have turned the much discussed corner so far as business conditions are concerned, I believe that a reduction can be made in our dues, thereby permitting a greater number of agents to become members of the state association. On account of our reduced income and being unable to meet all the assessments of the National association, that organization was compelled to discontinue the sending of the "American Agency Bulletin" to those of our membership in good standing. This was in accordance with postal laws of our government. We have, however, had several meetings with the representatives of the National association and before this convention is adjourned I sincerely hope that negotiations can be made which will restore our members to good standing with the National association and that they may again receive the "American Agency Bulletin," which contains valuable information for every local agent.

## Clyde Smith Hits Charge Carriers Big Balance Losers

Clyde B. Smith of Lansing, Mich., past president of the National association, in addition to his prepared talk, made a number of interesting observations in the course of his speech. Mr. Smith appeared at the Marion meeting with a heavy heart, because his son, Harry Smith, is desperately ill in a sanitarium at Cragmore, Colo., and Mrs. Smith, who motored there recently to visit her son, was stricken and is now confined in the sanitarium, unable to see her son.

Mr. Smith urged the Ohio agents to defeat the attempt of the Federal Union to license a non-resident broker in Ohio. If the bars are ever let down, he said, the cause is lost.

Mr. Smith said that the agents in Michigan undertook to find what companies wrote bonds for the conservators of closed banks and then wrote to those companies demanding an overriding commission. He advised the Ohio agents to do likewise.

From now on the agents will not have trouble in this connection, he said, because the bonds will be written in the towns where the banks are located.

Mr. Smith quoted recently compiled statistics, indicating that the loss to fire and casualty companies because of uncollected balances is only about 1/5 of 1 percent of their writings. This is the answer to the charge that the agents are not paying their balances, he said. The agents, he declared, are charging off far more than 1/5 of 1 percent of their premiums.

## Telegram From Wolff

A telegram was received from Allan I. Wolff of Chicago, chairman of the executive committee of the National Association of Insurance Agents. He expressed the hope that the Marion meeting would mark a new era in the Ohio association.

\* \* \*

Two representatives of finance companies were on hand, they being H. F. Albers of the National Guarantee & Finance Co. of Columbus and C. R. Arbaugh of the Insurance Premium Finance Company of Cleveland. These two men are developing a large acquaintance among insurance men and a good knowledge of the business.

\* \* \*

Many of those attending the Marion convention visited the Harding memorial and the home of the former President, which has been converted into a museum containing many articles associated with the life of the former President.

## New Ohio Association Trustees

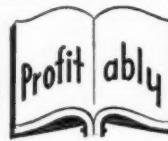


W. E. FLICKINGER, Cleveland



W. A. EARLS, Cincinnati

**KEEP the BUSINESS**



**ON THE BOOKS**

**A**CTIVITY! Men going back to work! Wheels turning again! These and many other substantial factors reflect the growing optimism.

NOW is the time to stimulate and capitalize on this progressive motion with well planned and well executed sales efforts that will bring immediate results and build prestige for the future.

NOW is the time to get down to business—with tempered enthusiasm, considerate of results.

**N**OW is the time to definitely cast off the HABIT and avoid the temptation of writing business without knowing whether, when or how it is to be paid.

NOW is the time to dispel the FEAR of eliminating the HABIT. (Wrong habits and fear—man's two worst enemies.)

NOW is the time to join the ranks of the thousands of agents successfully using *Insurance Premium Financing*.

*The PLAN is simple, tried, tested, proven, approved; costs the Agent nothing, and the assured only a small amount for the service rendered*

**The Insurance Premium Finance Company**  
Hanna Building Cleveland, Ohio

## Agents Completely Revamp Structure

(CONTINUED FROM PAGE 3)

Those who drafted the plan anticipate that this provision will prevent the association from being dominated either by the larger cities or the smaller communities, that regional interest will be created and membership activity will be stimulated.

President Meek called together the new trustees immediately after adjournment of the convention and announced that he would summon them to Columbus in about two weeks for a meeting, the principal purpose of which will be to elect a new secretary-treasurer. A national councillor will probably also be designated at that time.

The NRA code question came up at the executive session and a resolution was adopted suggesting that the members sign the blanket agreement pending the promulgation of a separate code for insurance agents.

### Rudibaugh, Meek Report at the Opening Session

The meeting was opened with an address of welcome from A. C. Bachman, president Marion Association of Fire Insurance Agents. The response was by C. R. Laurenson, president of the Insurance Club of Canton. Then came the address of President C. C. Rudibaugh, who reviewed the legislative season and paid high tribute to former Secretary Tomlinson. Mr. Meek then reported as secretary, analyzing the membership situation and offering certain suggestions.

Mr. Rudibaugh introduced the principal business of the convention. He said that the executive committee some time ago came to the conclusion that incorporation of the association would be desirable. Although the by-laws give the executive committee power to arrange for incorporation on their own initiative, he said the members desired to have this important question decided by the convention. Therefore, he said, Fred B. Ayer of Cleveland was appointed chairman of a committee to investigate the question of incorporation. The other members of the committee were C. W. Clemons of Cincinnati, C. C. Corry of Springfield, H. A. Staley of Canton and Austin McElroy of Columbus.

Mr. Ayer thereupon explained the project. He submitted a resolution, which was adopted, to put the association on record as favoring incorporation. After the resolution was adopted, and the articles of incorporation were read, a special messenger was sent to

### Elected Trustee



AUSTIN McELROY, Columbus

### Directs Open Forum On Automatic Cancellation



F. V. BRUNS, Syracuse, N. Y.  
President Excelsior Fire

Columbus to file the articles. He announced that Harry R. Manchester had been assigned to draft proposed regulations for the new organization. In the afternoon session the first day, after the address of Clyde Smith, Mr. Manchester proceeded to explain the regulations. Issue was taken with certain provisions, but Mr. Manchester satisfied the members that the regulations were sound.

Appointment of the nominating and resolutions committee concluded the first day's business session. The principal speaker at the banquet was Mr. Gandy, who was in fine fettle, treating members to some of his famous humor and touching some of the issues in the business.

### Centralization of Insurance in Washington Discussed

He dwelt on the question of centralization of insurance writing in Washington for the various government agencies. He censured the orthodox casualty companies for alleged reinsuring cut-raters. He paid his respect to the Interstate Underwriters Board and branch offices and he discussed the NRA code problem. The entertainment features were provided by the Toledo, Cleveland and Marion boards.

The second day's session was opened briskly with a forum on vacancy clause, conducted by Herbert Boynton, president of the Toledo board. This was followed by another forum on automatic cancellation led by F. V. Bruns, president of the Excelsior of Syracuse, N. Y., and prominent local agent of that city. Mr. Bruns proved to be a stimulating leader and the members were popping up to give their ideas in Wednesday night prayer meeting fashion.

Then the members went into executive session and worked through until 2 p. m. when the convention was closed. Much time was spent in discussing the Federal Union case. There is considerable feeling among the Ohio agents. A license was refused a representative of Johnson & Higgins in Ohio in behalf of the Federal Union and that company contested the constitutionality of the law under which the license was refused. Beforehand there was some indication that the excepted city issue would be provoked at the executive session, but the question did not come up. The members had rallied to the new order and by the time the executive session was held there was little disposition to stir up internal feeling. The elections were conducted in executive session. Under the new setup, there must be two nominations for president, vice-president and for each trustee.

# OHIO ASSOCIATION OF INSURANCE AGENTS

♦ ♦

**Deserves and Should Have Your Constant and Unqualified Support**

♦ ♦

## INSURANCE BOARD of CLEVELAND

# The Mercer Casualty Company

HOME OFFICE, CELINA, OHIO

As of June 30, 1933

Securities based on New York rule.

Admitted Assets ..... \$1,013,829.33

Policyholders Surplus ..... 454,753.91

Net Premiums First Six Months, 1933 217,763.00

### Writing

Full Coverage Automobile

General Liability

Plate Glass

AN AGENTS' COMPANY



# MONARCH

CLEVELAND  
OHIO

FIRE INSURANCE COMPANY

RALPH RAWLINGS  
President

FIRE  
TORNADO  
U & O

AUTOMOBILE  
INLAND MARINE  
EXPLOSION

OHIO AGENTS INVITED TO TELEPHONE US ABOUT ANY SPECIAL PROPOSITIONS



## Small, Big Agents Need Each Other

(CONTINUED FROM PAGE 4)

underwriting, but, in my estimation, the agent has in his power the most effective means of bringing this about, through underwriting the business at the source. If he is to do this and at the same time reduce his income, through a further reduction in rates due to lower losses he should be compensated by a portion of the underwriting profits, a contingent based on a method that is fair to both agents and the companies. I have been told many times that a contingent is unworkable. My answer to this is that a state with a continued high loss ratio be used for an experiment. This should settle once and for all if this idea is a fallacy or not. If the theory is wrong there can be no loss. If it is right the loss will be turned into a profit and the agents who have made that profit possible will participate along with the companies.

Certainly there can be nothing wrong with such a proposition. The agents in the other states would have no objection and those in the state where the experiment was tried would undoubtedly welcome the opportunity of trying it out for three or four years. To say the least, the results would be interesting.

The smaller agents need the association of those in the larger cities for the information they can get from those whose broader experience has taught them what is best for the buyers of insurance and how better to meet mutual and reciprocal competition. They also need the prestige of the large producer in their dealings with the companies. Premiums still talk and the value of the membership of the larger agencies must be obvious.

The so-called big city agencies need the small town agents for their legislative influence if nothing else. Again it must be obvious that a legislator will be more prone to listen to his neighbor from his own home town than to some man from a large city several hundred miles away. Votes, like premiums, not only talk but are mighty convincing arguments. It is all a matter of confidence and education.

Furthermore, the companies need both these classes of agents for the very simple reason that no company can live on the big premiums alone. They must have the millions of dollars secured from the smaller risks. This is especially true of the fire companies. Thanks to this doctrine of cooperation and coordination advanced by the National Association of Insurance Agents there is a stronger feeling of mutual dependence between agents and companies than existed even a few years ago and my personal opinion is that when we again get back to a period of normality we will find a much more charitable viewpoint not only on the part of agents and companies but of the commissioners and public as well.

## Spirited Forum on Cancellation Plan

(CONTINUED FROM PAGE 3)

the policies immediately if they become void in 60 days because of nonpayment. The agents who are using this system are enthusiastic, he said.

In some states legislation may be required in order to permit use of the cancellation clause. However, Mr. Cole said he would like to see at least one state, where such legislation is not needed, adopt the system and give it a fair trial. He suggested that Ohio be used as the scene of such an experiment. Mr. Cole said that although an agency may institute a strict collection system, competitors will cause trouble.

President C. C. Rudibaugh said that

the Ohio association at its last year's meeting did not go on record in favor of the automatic cancellation clause. A resolution was adopted authorizing the executive committee to appoint a committee to confer with the national organization on the subject. However, such a committee was not appointed.

Mr. Bruns at this point interjected a production hint. He said his wife recently paid \$4 for a pair of shoes that six months ago cost only \$3. This gave Mr. Bruns an idea. He called the head of the shoe store, remarked that the price of shoes had gone up and suggested that additional insurance was needed because of the increased value of the inventory.

William T. Harrison of Middletown said that the members of the local board in his city had agreed to cancel for nonpayment in 60 days, but the plan has fallen down miserably. He said the agents haven't the courage to cancel, fearing that a competitor will get the business. He said that many agents are yellow and that the policy should provide for automatic cancellation.

### Fears Agencies Would Be Cancelled as Well

James A. Price of Lorain expressed the belief that collection problems should be handled by the agent. If the automatic clause was used, he contended that not only would policies be canceled but agencies would be canceled as well. He made reference to the contention of those who favor the clause, that fire and casualty policies should be paid for on the same basis as life policies. Mr. Price pointed out that the life insurance agent does not have the same jurisdiction over his business that the fire and casualty agent does. The agents, he declared, don't need the government to run their business. The agency business is personal and the agent controls the destiny of his own organization, he said.

### Cites Bills Pending in Ohio Special Session

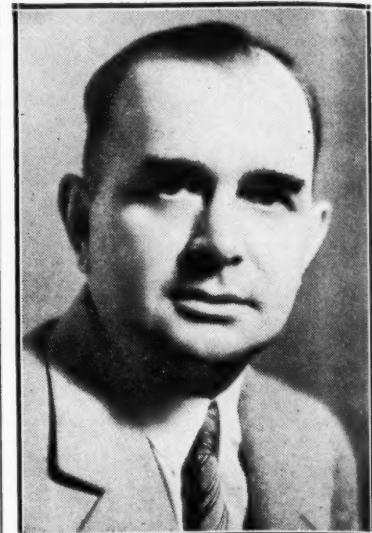
Mr. Benner again took the floor. If the agents are yellow, he said, there is nothing to prevent them from evading the 60-day clause by attaching endorsement providing another 60 days' coverage. There is too much government in business, he said, and he cited the bills that are now before the Ohio legislature in special session, one to tax fire insurance premiums for support of the indigent and others to set up fire insurance funds for school properties and automatic public liability funds for school buses.

C. P. Ward of Mt. Vernon suggested that the anti-rebate law might be invoked to enforce payment in 60 days.

G. Kolinski of Elyria said he favors leaving the situation as it is and permitting agents to be their own collectors.

Mr. Bruns said that he is on the agency balance committee of the Eastern Underwriters Association and knows the plight of thousands of agents who

## Pennsylvania Leader on Hand for Ohio Meeting



K. H. BAIR, Greensburg, Pa.  
Former President Pennsylvania Association and Member National Executive Committee

were formerly leaders in the business. These agents, he said, must begin over again and must sell intelligently and collect the same way.

The discussion would have gone on indefinitely, but the time was short and an end was called to the debate at this point.

### Premium Budget Plan

The National Guarantee & Finance Co. of Columbus, O., now reports it has 6,000 agents using its plan in premium financing. John E. Davies is the president. The premium budget plan has now become a settled fact with a large number of assureds and they have been able to carry a larger amount of insurance with greater satisfaction under the premium financing plan. The National Guarantee & Finance Co. has had more than ten years' experience in its special line.

A suite of four luxurious rooms was occupied by the executives of the National Association of Insurance Agents who attended the Marion meeting. These quarters were the scene of conferences on national issues, the NRA code question occupying much attention. The National association men in Marion were in communication with Secretary Walter H. Bennett, Past President Percy H. Goodwin and other national leaders.

Otto Schenk, Pres.



Fire

Jos. H. Reass, Sec.-Treas.

## Homeseekers Fire Insurance Company

Wheeling, W. Va.

C. F. Souder, S/A., Toledo, O.

Automobile

## The General Insurance Agency

Insurance in all its branches

Mezzanine Floor - Mahoning Building  
WARREN, OHIO

J. E. Greenwood, President & Treasurer

## Ayer, Manchester Relate New Setup

(CONTINUED FROM PAGE 6)

The president and vice-president are ex-officio members of the board of trustees. If there is no member of the association from a certain district, a trustee at large may be elected.

The annual meeting hereafter will be held in September. Special meetings may be held at Columbus by order of the president or board of trustees or by the secretary on the request of 25 members from five districts with not less than five petitioners from any district. A quorum shall consist of 25 members.

At each annual meeting hereafter, the president, vice-president for one year terms and three trustees for three year terms will be elected. The secretary-treasurer will be appointed by the trustees.

Thirty days before each annual meeting, the board of trustees shall appoint a nominating committee to pick two candidates for president, two for vice-president and six candidates for trustees, three to be elected. In addition ten members may present a list of candidates.

The decision of the trustees shall be final, except that appeal may be made to the next regularly called meeting.

Membership may be terminated for nonpayment of dues, when a member is no longer qualified under the rules, by resignation or by expulsion. Written charges must be filed and a hearing held by trustees for expulsion.

### Cole Commands Ohio Association for Action

After Mr. Manchester had explained the details of the setup, E. J. Cole of Fall River, Mass., chairman of the finance committee of the National Association of Insurance Agents, commended the Ohio association for its action. He said it was one of the most forward steps the association could have taken. Trouble has developed in many association, he said, because of the slipshod method of electing officers. Men are drafted for the positions and then find they do not have time to devote to the work. Progress is not made and the association membership drops off. Dry rot sets in. He pointed out that the influence of the National association depends on the solvency and efficiency of the state association.

Clyde B. Smith commended the idea of having a contest in the election. He

### Former President



J. E. GREENWOOD

J. E. Greenwood of Warren was the only ex-president of the Ohio Association of Insurance Agents in attendance at the Marion meeting.

### Buckeye Union Casualty Has Had Fine Six Months

The Buckeye Union Casualty of Columbus, O., completed another successful six months' period, F. E. Jones, president, has announced.

The statement for the first six months shows an increase of \$37,000 in assets and \$44,000 in surplus to policyholders. Assets on June 30 were \$831,977, compared with \$794,396 on Dec. 31. Surplus to policyholders on June 30 was \$288,757, as compared with \$244,631 Dec. 31.

Results for the first six months were satisfactory in all departments, Mr. Jones states. While net business remained the same, total collections for the period were 10 percent greater than for the same period of last year. This increase is the result of a new collection program placed in operation in March which provided that policies be paid by assureds within 30 days or the installment plan be used.

"That this program has reacted to the benefit of both agents and company is shown by the fact that premiums less than 90 days due totalled \$74,648 on June 30, as compared with \$183,137 in premiums outstanding at the same time the year before. The collection program has strengthened the company's financial position and has encouraged agents to operate on a cash basis," the Buckeye Union president stated.

Much of the progress of the Buckeye Union during the first six months is due to the enthusiastic reception by agents and policyholders of the 5-pay plan which was offered for the first time at the close of last year. This payment plan is unique in that the company makes no additional charge and the agent receives 80 percent of his commission at the inception of the policy. The premium is divided into five payments. By using this plan agents of the Buckeye Union have been able to keep their collections up to date and have avoided credit losses, officers of the Buckeye Union state.

also approved of the regional idea and urged that regional meetings be held.

Mr. Greene of Columbus inquired about the regulation as to expulsion. He brought up the question of loaning agencies coercing premiums.

H. S. Martin of Toledo said that same problem exists in his city. He declared that a loan correspondent of a large life company in Toledo started to raid the business of Toledo agents. A meeting of the Toledo board was held and the board's pressure was so effective that the loan correspondent asked to join the board. He said that a strong local board is the solution to this problem.

### NRA—New Risks Again

S. J. Horton, secretary of the Cleveland board, was accompanied by Mrs. Horton, who is a confirmed conventioneer.

\* \* \*

Every one these rays is finding some meaning for NRA. F. V. Brhns interpreted these letters to stand for **New Risks Again**.

\* \* \*

Three of those who had been mentioned for the position of **secretary of the Ohio Association of Insurance Agents** were on hand for the Marion meeting. At least one of them made an active campaign for the job while at the convention.

\* \* \*

The sessions the first day were held in a room in the hotel, the windows to which were just over the kitchen. The day was hot and the **fumes from the kitchen** made the sessions somewhat uncomfortable. The next day the meeting was held in the Eagles hall where the accommodations were more satisfactory.

The **Ohio Farmers** was well represented by J. E. Amadon of Findlay, W. W. Waters of Zanesville and Dwight P. Ely, engineer for the company at Columbus.

# THE NATIONAL GUARANTEE & FINANCE CO.

COLUMBUS, OHIO



*Specialists in Premium Financing*



Money to pay company balances at no cost to agent—collection worries eliminated—"Old Balances" collected without charge—increases new business (especially term)—easy to use—effective—approved by insurance companies.

A NATIONAL SERVICE OF A NATIONAL ORGANIZATION

THE NATIONAL GUARANTEE AND FINANCE CO.,  
150 East Broad St.,  
Columbus, Ohio.

This will also bring you full information on our NEW LOW RATE 8 PAY PLAN.

Gentlemen: Without obligation on my part, you may send me free copy of your FILE MANUAL explaining your N. G. F. PREMIUM BUDGET PLAN and your FREE OLD BALANCE Service.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

# COMPARE •

Relative standing is one indication of a company's value to its agents. In Ohio, and in a growing list of other states, the "Shelby" stands first in volume of Plate Glass Insurance written. Based on an experience of more than fifty years, "Shelby" rates and the "Shelby's" prompt replacement service help agents write and hold more plate glass business. The "Shelby" offers similar advantages on other casualty lines. Ask for complete information.

THE

# SHELBY MUTUAL PLATE GLASS AND CASUALTY COMPANY SHELBY - OHIO

WRITING PLATE GLASS SINCE 1880

# OHIO AGENTS CONVENTION NUMBER

## Give Your Prospects What They Want

and you'll sell more auto insurance

### WHAT the Buckeye Union 5-Pay Plan Will Do for You

1. It will enable you to sell more auto insurance.
2. It will eliminate your credit losses.
3. It will give you 80% of your annual commission in advance.
4. It will take the collection burden off your shoulders.
5. It will give you more time to work on new business.
6. It gives you a payment plan that fits today's needs.

Buckeye Union agents have found the 5-Pay Plan actually does all these things. They have increased their business and profits because of this unique plan for writing automobile insurance. Write today for complete information. You will see at once how this plan will mean bigger profits to you.

Write or Wire Today!

THE insurance salesman today must meet the buyer's demands. He must have a company that meets all the requirements . . . of all his prospects.

Insurance buyers are demanding that they have a company with an established reputation—one that has proven its worth. The Buckeye Union is such a company. Its record in Ohio during the 15 years of service is enviable. Through each year it has maintained the same high standard.

But there is another requirement . . . and a very important one today. Men are just going back to work. They cannot afford to pay annual premiums in advance. If an agent is to sell them he must have a convenient payment plan which will enable them to pay for their insurance without hardship.

The Buckeye Union has such a plan. The annual premium is divided into five payments at no added cost. The insuring public in Ohio has given this plan an enthusiastic welcome during the first eight months of 1933. Its reputation will grow during the remaining months. Prospects will ask you if you can give them COMPLETE protection in a stock company at reduced rates . . . on a reasonable payment plan. If you cannot do this, you need the Buckeye Union.

### Conservative Growth

	Dec. 31, 1932	June 30, 1933
Assets .....	\$794,396.84	\$831,977.39
Surplus to Policyholders .....	244,631.76	288,757.41

AUTOMOBILE INSURANCE  
General Liability—Burglary—Plate Glass  
Personal Auto Accident

## The Buckeye Union Casualty Co.

Home Office: Columbus, Ohio

Frederick E. Jones, Pres.

Ira L. Morris, Sec'y & Gen. Mgr.

Frank A. Burgess, Treas.

DISTINGUISHED FOR COMPLETE DEPENDABILITY